International Budget Partnership Kenya
(IBP Kenya)

County Budget Transparency Survey (CBTS)
2022
3rd Generation – Revised September 2022

A Guide to the County Budget Transparency Survey

About the CBTS Tool

The County Budget Transparency is one of the few sub-national budget transparency surveys that have been successfully done across the world, and it aims to have counties comprehensively disclose the budget information as required by the laws and regulations in a timely and consistent manner. This survey is informed by the demand for useful budget
information by the CSOs, which is often missing in the published budget documents. The purpose of this tool is to guide the researchers conducting the budget transparency survey and other budget practitioners with the necessary details to look for in the budget documents counties are required to publish online.

The County Budget Transparency Survey has undergone a series of improvements over the last seven years since it was started in January 2015.

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<tr>
<th>Generation</th>
<th>Components</th>
<th>Improvements</th>
<th>Timelines</th>
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<tr>
<td>First</td>
<td>Availability</td>
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<td>2015 and 2016 (Bi-annual)</td>
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<td>Second</td>
<td>Availability</td>
<td>• Sharing of draft results with all 47 county governments</td>
<td>2017 and 2018 (Bi-annual) and 2019 (Annual)</td>
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<td>Third</td>
<td>Availability and Comprehensiveness</td>
<td>• Comprehensiveness components were introduced, and a questionnaire was developed to evaluate information on the Key Budget Documents Made Publicly Available.</td>
<td>Annual - CBTS 2020, 2021 and 2022</td>
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<td></td>
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<td>• Sharing draft results with all 47 county governments in both phases of the survey.</td>
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<td></td>
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<td>• The comprehensiveness component involves the researchers (drawn from the pool of trained budget facilitators), reviewers and senior reviews.</td>
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<td>• Training of the researchers, reviewers, and senior reviewers</td>
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<td>• Modular research pieces</td>
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<td>• Advocacy on the utilization of the findings of CBTS</td>
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<td>Fourth</td>
<td>Timeliness, Availability and Comprehensiveness</td>
<td>• Timeliness component</td>
<td>CBTS 2023*</td>
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This tool is intended to evaluate different types of questions to assess the level of budget transparency in key budget documents.

A straightforward guide on each question has been provided to allow the researcher to pick the suitable choice:

a. Questions and their explanation with response options,
b. Questions guidelines to the researchers, and
c. Legal underpinnings on the source of the question.

The simplicity of this tool is also intended to help any citizen, including those without vast knowledge in budgets and thus not target specific and in generating the CBTS index IBP Kenya used as a whole. In preparation for this tool, various stakeholders, including the national and county government officials, CSOs and policy experts, brought together their collaborative efforts to ensure this tool is fairly applicable comparatively across all the 47 sub-national levels of governments.

The IBP Kenya conducts the County Budget Transparency Survey annually, keeping an eye on:

a. The Timeliness of Budget Documents on all the sub-national websites - both executive and assemblies.
b. The availability of the budget documents
c. The level of information is comprehensively disclosed in the published budget documents.

Finally, this tool is categorized into four important parts:

a. Introduction that entails the background of budget transparency
b. Section one: The process of development of survey materials.
c. Section two: The process of conducting public availability of the key budget documents.
d. Section three: Comprehensiveness of budget documents description and the questions for key budget documents.
Introduction

Background to the County Budget Transparency Survey (CBTS)

Kenya's constitution gives considerable weight to citizens' role in preparing and implementing public budgets. In addition, the decentralized system of governance in Kenya was also, in part, driven by the principle of public participation and promoting equity in the distribution of resources. This would be more meaningful if it were closer to the people and on priorities that were more related to their priorities and agreed on preferences.

The Constitution, the County Governments Act, and the Public Finance Management Act, among other laws, further emphasize the role of public participation in identifying priorities, building trust and ownership of budgets, and accountability from the public. While active citizenry is an important component for citizens to understand what informs governments' decisions, the basic foundation of public participation begins with the government's availability of information. When counties provide 'quality' comprehensive, accessible, timely and useful information through published budget documents, it creates room for meaningful and well-informed citizen engagement. It is also important to the County Assemblies because they need comprehensive information to exercise their roles in budget approvals, implementation, and oversight.

Since 2015, IBP Kenya has conducted a bi-annual survey that evaluates whether counties make their budget documents publicly available as required by the Public Finance Management Act. The number of counties publishing documents publicly and progressively has slowly improved over the years. This was partly an indication that counties responded positively to the survey findings. Many actors, including citizens and civil society groups/budget facilitators, who regularly engage with budgets at the county levels, have contributed to county governments' response.

In 2020, IBP Kenya conducted a full breadth of the County Budget Transparency Survey whereby in addition to assessing the public availability of the budget documents, we evaluated the level of information disclosed to the public in the published documents. The CBTS 2021 results showed low budget information published by counties in various key thematic areas that were evaluated. The survey is now annual. As budget work continues across counties, citizens' capacity to engage with budget documents has significantly grown, and these materials will be useful to the citizens across the budget cycle.

The questions in this Questionnaire have been sourced from several sources, namely:

1. Constitution of Kenya 2010,
2. PFM laws and regulations provide details of the information that county executives should include in budget documents.
3. Guidelines set by the national government on the structure of some budget documents, e.g., County Integrated Development Plan (CIDP), Citizens Budget.

**Important Principles of Transparency and Accountability**

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<tr>
<th>Principle</th>
<th>Details</th>
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<tbody>
<tr>
<td><strong>a) Prior authorization</strong></td>
<td>The County Assembly should authorize measures involving expenditure, revenue collection and debt before the executive takes action. The PFM Act gives county assemblies two months to approve the budget. This period is also meant to provide ample time to engage the public and discuss with the executive where clarifications are needed.</td>
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<tr>
<td><strong>b) Unity</strong></td>
<td>This principle demands all proposed annual expenditures, revenues, and other county government financial activities are presented to the County Assembly in one consolidated presentation. (However, counties may table additional supporting documents). For example, the Programme-Based Budget should also be accompanied by a detailed cash flow as required in the PFM Act.</td>
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<td><strong>c) Comprehensiveness</strong></td>
<td>Not only should the county government disclose its financial activities during the formulation of the budget through the Programme-Based Budget, but it also should issue documents at other times during the budget year to provide a comprehensive, updated picture of the government's actions, i.e., that capture implementation progress through quarterly implementation reports. The PFM Act and the County PFM regulations provide details that each county budget document should provide. This is a key source of the information that this survey is evaluating.</td>
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<tr>
<td><strong>d) Periodicity</strong></td>
<td>The county executive should adhere to regular deadlines in an annual calendar to draft the budget, present it to the County Assembly for debate and enactment, and execute the budget. Timely and regular reporting on each of the four phases of the budget process is essential. The county must publish budget documents within the timelines provided for in law.¹</td>
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<tr>
<td><strong>e) Specificity</strong></td>
<td>The description of every budget item should provide a clear overview of the government's revenue and expenditure plans. The descriptions and figures provided for budget items should not be so highly aggregated (presented as grand totals) that they do not give a clear picture of the government's intentions. This information should be presented according to internationally accepted classification systems to avoid confusion.</td>
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</table>

f) **Legality** - The legality principles require all expenditures and activities to be kept within the law. Civil society should make recommendations to amend it when the law does not adhere to or promote basic principles of transparency and accountability.

g) **User-friendly structure** - The principle requires the county budget documents to be presented in a manageable and understandable manner by the full spectrum of audiences and their varying levels of technical capacity, including the county assembly, civil society organizations, other government officials and the public.

h) **Publicity** - All citizens should have the right, as individuals or associations in civil society organizations (CSOs), to interact with and give input on the county's budget process and the documents that inform it. This requires that budget documents be made widely available to the public.

i) **Means and ends** - Clear links between the government's policies, plans, budget inputs and outputs, and desired outcomes should be made. The explanation accompanying the budget should communicate the justifications that inform the inputs, objectives to be achieved, and measurable results.

**General Information About Questionnaire**

The County Budget Transparency Survey is carried out by researchers who are trained budget facilitators based in the counties and work with Civil Society Organizations. All 47 counties are assessed by a team of researchers based on a standard set of questions, with a rigorous review process, including the 47 county governments. The Questionnaire contains explanations and illustrations to allow researchers to conduct the survey to make objective assessments if the budget documents are under review. Additionally, the answer to each question is supported by a clear presentation of the evidence showing why a particular score was awarded for each question. The evidence includes references from the specific budget documents sections/chapter or specific pages or links to county websites' budget documents. Also, there is a section for government officials to evaluate each question in the online system and comment on the researchers' initial findings.

The online Zoho survey tool is used in completing the Questionnaire. The online system efficiently eases the integration of data collection from all 47 counties. It also allows the generation of the reports shared with relevant county government offices to comment.

**It is important to note the following:**

a) **The Questionnaire is administered to publicly available budget documents** - The second part of the survey on comprehensiveness covers only publicly available budget documents published on the official county websites either by the Executive or Assembly. Any budget document published outside the two official websites is not assessed. For example, budget documents available on non-governmental
organizations' websites are not considered publicly available as they are not on official government platforms. Therefore, such budget documents are not evaluated by this survey.

b) **The Questionnaire focuses on documents published by county governments and not those from the National Government**- The survey focuses explicitly on budget documents that counties are required by law to publish and publicize. This means that the index only grades counties based on documents that are supposed to be produced. For instance, County Government Audit Reports from the Office of Auditor General are not evaluated because counties do not produce them. County Quarterly Budget Implementation Review Reports from the Office of the Controller of Budget are not assessed because they are also not produced by county governments. Counties are legally required to produce quarterly budget implementation reports, and the survey evaluates this version.

c) **The Questionnaire is applied to the latest documents available**- The survey evaluates the latest documents produced by counties, informed by the timelines the law provides. This means that sometimes the documents may be from two financial years. In cases where one document is produced multiple times in the same budget year, the latest available version of the series of the document is evaluated. For instance, counties must produce four Quarterly Budget Implementation Reports in a financial year by law. While each is assessed separately on availability, only the latest one is subjected to the Questionnaire on the comprehensiveness of information.
The Questionnaire Structure and Supporting Materials

The Structure of the Questionnaire

The County Transparency Survey questionnaire comprises three sections.

1. The **first section** is the development process of survey materials, which involves Civil Society Organizations that actively engage in budget work in the communities, government officials from national and county governments, senior reviewers in the transparency space and academic experts.

2. The **second section**, Public Availability of Key Budget Documents, presents questions that check on the ten key budget documents’ availability, including four quarterly implementation Reports on the county websites. This section focused on evaluating whether county governments have made public key budget documents as required by law. This first level of the survey requires the Researcher to identify whether key budget documents are either publicly "Available" or not "Publicly available."

3. The **third section** is informed by the results from the second section, which focuses on the comprehensiveness of each of the seven key budget documents found to be "Available" to the public on the official county websites. The legal PFM requirements inform all budget documents' key assessment areas. The key sets of evaluated information include revenue categories and multiyear performance and projections, detailed expenditure classifications including administrative, economic, and functional and further desegregations, budget priorities, non-financial data at programme levels, information on capital projects budget performances, projections, and adherence of fiscal responsibility principles. There is also a focus on public participation that is evaluated comprehensively using one question in four documents required by law to have public engagements during the development process. For access to the budget, information to contribute to improvements in budget policies, execution, and outcomes, is coupled with opportunities for the public to use this information to participate meaningfully in budget decisions and oversight. The indicators are aligned with the [Global Initiative for Fiscal Transparency’s new principles on public participation](https://www.oecd.org/gov/spsf/giftwww/index.htm), which now serve as the basis for widely accepted norms on public participation in budget processes.
Section One: Development of Survey Materials

Tools were developed jointly with the budget facilitators attached to different Civil Society Organizations. They are well equipped with budgeting knowledge through MOCKS training offered by Uraia Trust and International Budget Partnership Kenya. The budget facilitators are actively engaged in budget work in their counties. They also give expert reviews and officers drawn from the Office of Controller of Budget, which is mandated to oversee the implementation of budgets of both the national government and the counties. The budget facilitators are actively engaged in budget work in their counties. They also give expert reviews and officers drawn from the Office of Controller of Budget, which is mandated to oversee the implementation of budgets of both the national government and the counties. The Council of Governors plays key roles in the budget process by sharing best practices, offering a collective voice on policy issues, promoting inter-unity consultations, and encouraging and initiating information sharing on the performance of County Governments, among other roles. The Office of Auditor General, mandated to enhance public funds' accountability in national and county governments, played a key role in shaping these tools. Also, the Commission on Revenue Allocation provided its perspective while developing these tools. Additionally, the Heads of Budgets from Counties, also budget experts, are involved in reviewing the survey tools because they are technical officers in charge of county budgets. Finally, the senior reviewers who have vast experience in transparency, accountability, and experts from the academic space reviewed the survey materials.

The data collected through the County Transparency questionnaire forms the basis of the County Transparency Survey and the results. For researchers, there are four important materials in this survey, namely:

a) The County Transparency Survey Catalogue provides details that act as a checklist on what information each budget document should provide. The catalogue informs the Questionnaire and is the first reference point for the information assessed in the survey. For informativeness, the catalogue has some descriptions that indicate the objective of the questions. Therefore, the catalogue is the source document for the questions that each budget document is subjected to.

b) The Questionnaire with the options, guidelines and legal underpinnings of questions is the main survey document. It contains questions and guidelines on what each question is meant to assess. This helps the Researchers understand the questions and accurately answer the questions, including guiding them in providing the justifications for their answers. Also, the Questionnaire references the legal provisions supporting the information assessed in the survey. The questions have a maximum of four options;

1 The Controller of Budget office is also expected to prepare, publish, and publicize statutory reports, conduct investigations based on their own initiative or on a complaint made by a member of the public, and conduct alternative dispute resolution mechanisms to resolve disputes. Please see: https://cob.go.ke/
2 The COG provides a mechanism for consultation amongst County Governments, share information on performance of the counties in execution of their functions, facilitate capacity building for Governors, and consider reports from other intergovernmental forums on national and county interests amongst other functions. Please see: https://www.cog.go.ke/
3 http://www.oagkenya.go.ke/
4 The CRA core mandate is to recommend the basis for equitable sharing of revenues raised nationally between the national and the county governments, and among the County Governments. Please find more: https://www.crakenya.org/cra-overview/
some have three options, and others with two options. These questions are available to researchers on an **online platform**.

c) **The Questionnaire with guiding explanations, options, source of questions with legal underpinnings of the questions and examples** - This is the third document and somewhat similar to the second material but only goes further to provide examples drawn from specific budget documents from counties, laws and regulations, guidelines from the national government and good practices. This support document is equally important to the researchers when filling out the online survey as it also creates a picture of the specific information the Researcher is looking for in the budget document.

**Section Two: Public Availability of the Key Budget Documents**

**What Publicly Available Means.**

The [Open Budget Survey](https://www.openbudgetsurvey.org/) defines publicly available budget documents as those published on the government agency's website, issuing the document within the time frame specified in the public finance management laws or any other regulations guiding the county budgeting process. A document is considered publicly available if all citizens can obtain it free of charge. Therefore, documents are considered publicly available when citizens can access them, not at the discretion of any government official. Therefore, this survey does not consider hard copies of budget documents available at county offices. Though that does not mean that the budget documents should be available at the government offices, they should also be available to citizens in need.

This section lists all the key budget documents that researchers check for availability. All other budget documents are independent except the County Quarterly Budget Implementation Reports, which are produced quarterly. In a situation where a county has published two for two quarters, then only the latest amongst the two is assessed comprehensively; therefore, this survey covers ten individual budget documents across all the counties as follows: **Annual Development Plan (ADP), Approved Programme-Based Budget (PBB), County Fiscal Strategy Paper (CFSP), County Quarterly Budget Implementation Review Report (Quarter one, Quarter two, Quarter three and Quarter four), County Budget Review and Outlook Paper (CBROP), Citizens Budget, and Finance Act**.

**How Counties are Evaluated - The Process of Checking Availability of key Budget Documents**

This first part of the survey follows a similar pattern to the International Budget Partnership Kenya has used over the last five years. The capturing data system looks like Table 1 below,

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6 Documents must be made available on the Internet and free of charge to be considered publicly available. Please see: [https://www internacionalbudget org/sites/default/files/2020-04/2019_Guide_and_Questionnaire_EN.pdf](https://www.internationalbudget.org/sites/default/files/2020-04/2019_Guide_and_Questionnaire_EN.pdf)
which indicates the documents publicly available across the 47 counties, the links to these documents on the county websites, the dates when the documents were accessed, and any observations related to the review. This availability survey capture feedback that comes from county officials.

Table 1: A Sampled Tool Used to Collect Availability of Key Budget Documents.

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**Research Process to Check for Publicly Available Budget Documents**

**Step 1:** The Researcher goes through the official county websites (both executive and assembly portals), looking for the budget documents outlined in the tool. Documents are either "available" or "not available." When a document is found, the Researcher inserts a link in the tool that leads to the specific budget document location. This acts as evidence of the existence of the document. (In some instances, due to the website’s technical structure, the links may lead to a general download web page, and the Researcher and reviewers have to confirm that the document under review is available in that section). The Researcher then indicates the date when the document is assessed. Two other checks are done to verify if the documents are available, indicating the confirmation date. An additional section allows the researchers to provide any observations concerning documents' availability, especially where the versions of documents may not be clear, or there are broken links/websites.

**Note:** Researchers should open the documents to ensure the contents are in readable formats.
Sometimes the documents made available on the county websites may not open. The readable format implies that the contents should be accessible and supported by reader software such as PDFs and Word documents, which are also readily available to the public and should be downloadable. Where a downloaded document cannot be opened by these two (Ms Word or PDF readers/ browsers), a document is assumed to be not publicly available. Sometimes counties have the budget document in zipped folders and should be extracted.

**Step 2:** After running through all the 47 counties’ official websites (both executive and assembly), the survey results are shared with the counties to review and confirm the accuracy of the draft findings. The results are shared with a number of offices in each county:

a) Office of the Governor,

b) County Executive Committee Member for Finance and Planning,

c) County Heads of Budgets and Planning, and

d) Clerks of County Assemblies.

We recognize that some budget documents may be on the official websites, but the pages are hidden. This step allows counties to put their documents in the designated sections accessible to the public. Also, in the cases where their documents were not downloadable or couldn't be read by any PDFs readers or MS Word, or couldn't be extracted, the county officials have a chance to rectify that and ensure their documents are presented in the formats that the public can readily access its contents.

County governments are given two weeks to review the results. During this period, county officials have a chance to discuss with researchers and IBP staff how they can improve budget transparency in their counties.

**What is shared with Counties?**

a. The introductory note highlighting what the CBTS evaluates indicates the evaluation budget documents under evaluation and their timelines.

b. The Letter with the county’s publicly available budget documents. The letter calls the county to publish the missing budget documents and has contact details that allow inquiries with IBP Kenya.

c. The Availability draft results for the county’s reference and confirmation of the available budget documents with comments from the researchers on the challenges experienced in accessing the budget documents on the website or the budget documents, i.e., those that cannot be read, redundant download links, websites that are technically down.

**Step 3:** After the two-week duration, a second and final check is done to capture any changes that counties may have made on challenges identified in the first round of the survey or any documents the researchers may have missed. Counties are provided with the deadline for this final check, and documents uploaded after that period are not considered. This is the final step
in checking the availability of the key budget documents. Based on these results, documents found to be **publicly available** are subjected to the next phase. This checks on the comprehensiveness of the contents provided in each key budget document.

**Note:** Budget documents should always be publicly available on the official county website and not be pulled down. After the final check-in **Step 3**, any document available should be supported by reader applications such as PDF readers, MS. Word and where an available budget document is not in a readable format or its contents not accessible or is not supported by any reader application, it is considered not publicly available since the public cannot access the contents of that document.

This survey evaluates the latest publicly available documents found on all county websites between the 18th of August 2022 and the 20th of September 2022.

Table 2: Dates when Budget Documents are Made Publicly Available - Legal Requirements

<table>
<thead>
<tr>
<th><strong>Budget Document</strong></th>
<th><strong>Date document is made publicly available</strong></th>
<th><strong>Timelines of Budget Documents for 2021/2022 to be Evaluated</strong></th>
<th><strong>Questions</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Annual Development Plan</td>
<td>County Executive Committee Member for Planning tables in County Assembly the ADP by 1st September each financial year. The same CEC Member publishes and publicizes the Annual Development plan within seven days after its submission to County Assembly.</td>
<td>ADP for the FY 2020-21 (The Annual Development Plan was made available to the public on the County's Website latest on 7th September 2020.)</td>
<td>1-11</td>
</tr>
<tr>
<td>2 County Budget Review and Outlook Paper</td>
<td>The County Treasury shall, on 30th September, submit the CBROP to the County Executive Committee approves the CEC, and within fourteen days after shall consider approving it, with or without amendments and not later than seven days after the CBROP is tabled in the county assembly, and it should be made public by 28 October</td>
<td>CBROP FY 2021 Made publicly available on 28th October 2021</td>
<td>12-23</td>
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<tr>
<td>3 County Fiscal Strategy Paper</td>
<td>The CFSP is tabled in the county assembly no later than February 28. The document is approved (with or without amendments) by the 15th of March. The</td>
<td>The CFSP February 2021 – Made publicly available by 21st March 2021.</td>
<td>24-35</td>
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<td>County Treasury must also make the CFSP available to the public within seven days of tabling in the assembly.</td>
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<td>4</td>
<td>Approved Program-Based Budget</td>
<td>PBB for the FY 2021/22 was made publicly available on 21st July 2021.</td>
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<td>The county assembly shall consider the county government budget estimates to approve them, with or without amendments, in time for the relevant appropriation law and any other laws required to implement the budget to be passed by the 30th of June of each year. Not later than 21 days after the county assembly has approved the budget estimates, the County Treasury shall consolidate the estimates and publish and publicize them.</td>
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<td>5</td>
<td>Citizens Budget</td>
<td>Accompany Budget Estimates/Approved Programme-Based Budget 2021/22</td>
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<td>Should accompany Budget Estimates.</td>
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<td>6</td>
<td>Finance Act</td>
<td>Finance Act 2021 was made publicly available latest 7th October 2021</td>
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<td>County Finance Acts are supposed to be approved within 90 days of the Appropriation Bill's approval, which is supposed to be done by 30 June. Both levels of government are considered to approve their Finance Bills by 30 September.</td>
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<td>7</td>
<td>Quarterly Budget Implementation Report</td>
<td>The latest available Quarterly Implementation Report is evaluated, i.e., where a county has published all the four quarterly implementation reports in the evaluated FY 2021/22, the 4th quarter one is considered, and these were made publicly available as follows: Quarter 1 by 31st October 2021 Quarter 2 by 31st January 2022 Quarter 3 by 30th April 2022 Quarter 4 by 31st July 2022</td>
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<td>Quarterly Budget Implementation Reports should be published one month after the end of the quarter. Quarter 1 published by 31st October Quarter 2 published by 31st January Quarter 3 published by 30th April Quarter 4 published by 31st July</td>
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</table>
Section Three: Comprehensiveness of Budget Documents
The final availability of budget documents in section one informs this section. All budget documents available to the public are evaluated against a standard questionnaire. The information provided by available documents (those that have met all the criteria in phase one, including readability of the budget document) is assessed based on the specific questions for each of the key budget documents in this Questionnaire. The question coverage includes revenue and their categories, expenditure information and disaggregation, multi-year performance, expenditure and revenue projections, priorities that guide development, and other variables.

Step 4: The second phase of the survey is conducted by IBPK staff and Researchers drawn from the Civil Society Groups and works closely with communities in their counties. In this phase, the researchers go through the documents that are found publicly available, looking for the information required to answer each question. The Questionnaire has provided a guideline for each question on the information needed to pick a suitable option. This section requires the review to provide supporting information/ examples supporting their picked options for each question. In this phase, the responses to the questions with four, three and two options depend on the type of information the question asks for. Researchers provide justifications for the options they pick. Senior reviewers also go through and confirming what the researchers have provided.

Step 5: After going through all the documents that were found publicly available, the results from the comprehensive survey are shared with the county officials, similar to step 2 above, but in this round, the county governments have a month to review the results and also, during this period the IBPK staff and Researchers are available for discussion, especially on how counties can improve the quality of the information that should be published in key budget documents. In the lapse of a month, the IBPK staff and researchers confirm the information provided in the key budget documents before the final report is published.

Step 6: At various points of the survey, the Senior Reviewers independently evaluate the responses that Researchers and Reviewers have provided in the evaluation.

Focus on Legal Requirements

The focus of the comprehensiveness survey is still based on what laws, regulations, and policies legally require counties to provide in their published budget documents. Importantly, this questionnaire only assesses ten key questions in each budget document, but that does not mean all the law requirements have been exhausted. Since the national government has also provided standardized guidelines for developing some budget documents considering what counties should provide in their budget documents, i.e., where the Public Finance
Management Act 2012 section 166 (2) (b) has given the mandate to some government institutions like Accounting Standards Board to define a way in which quarterly reports are developed, it is considered in this survey as a requirement. Notably, transparency demands more of what happens in practice, and thus in the future, the survey expands to consider more questions about accepted good practices in public financial management. For each budget document, the Questionnaire pays key attention to the purpose of the document that informs the key aspects it should present; below are some of the categories that are assessed on the Questionnaire include:

a) **Revenue categories**- Major Revenue categories that are used in the Questionnaire include:

   i. **Equitable share** is the major revenue source for counties transferred from the national government through the Division of Revenue process.

   ii. **Local Revenues/ Own Source Revenue**- These are the revenues that counties are authorized to collect. They include the *county government's property-related tax* on land or land improvements such as buildings, and the rate depends on the location and value of the property. Secondly, the *county government imposed an entertainment tax* on certain forms of entertainment such as shows, film exhibitions, etc. In the Questionnaire, some of the examples of revenue that fall under the two categories include the following but are not limited to administrative fees & charges, business permits, vehicle parking fees, natural resources, exploitation & conservancy, public health services, markets, trade licenses & slaughterhouses, cess, water & sewage services, any other revenue.

   iii. Another source of revenue to counties that the Questionnaire assesses in the budget documents is the availability of information on conditional allocations from the national government and conditional allocations from loans and grants from development partners.

b) **Expenditure Classifications**- Budget documents should present their expenditures in three major classifications. In the Questionnaire, the following classifications are used:

   i. **Administrative unit**- Indicates the Sector/Department/Ministry (as used interchangeably by counties) with the overall responsibility of spending the money towards a common function, i.e., Health Sector/Department/Ministry, Education Sector/ Department/ Ministry, etc.

   ii. **Economic classification**- This expenditure level provides information on what the money is/ was spent on or the transaction's nature. The Questionnaire focuses on recurrent (Personnel Emoluments, Operations and Maintenance/Goods and Services) and development expenditures, including purchases and transfers.

   iii. **Functional classification**- Refers to the purpose for which the money is/ was spent. In the Questionnaire, the expenditures at programmes and sub-
programmes fall under the functional category as they provide detailed information on the purpose of the expenditures.

c) **Non-Financial Information** - The budget document should provide the amount of money allocated or spent on a program and what the allocations are supposed to achieve. Non-financial data can include information on:

   i. **Inputs** - These are the resources assigned to achieve results. For example, regarding health, non-financial data on inputs could include the number of medicines and the number of nurses provided to health facilities in a county.

   ii. **Outputs** - These are products and services delivered as a result of inputs. For example, the number of children that received vaccines or the number of beneficiaries of a social protection program.

   iii. **Outcomes** - These are the intended impact or policy goals to be achieved. For example, an increase in literacy rates among children under ten or a reduction in maternal mortality rates.

Governments that set performance targets must use non-financial data for outputs and outcomes to determine if these targets have been met.

d) **Information on Transformational/ Flagship or Capital Projects** - Flagship projects are budget investments that take up significant capital input and often benefit multiple regions within a county. They differ from ward-level projects, which are intended to benefit a ward within a county. Due to the capital input, the demand for flagship projects makes up a sizable part of counties’ development budgets.

e) **Fiscal Responsibility** - Section 107 of the PFM Act mandates the county treasuries to adhere to principles of fiscal responsibility. Some of the information assessed on the budgetary responsibilities were how counties link their spending in adherence with limits given on wage bills that have central discussions in counties that it is ballooning. Providing such information could help citizens understand and justify such crucial statements.

f) **Information on Budget Priorities** - Budget documents present information on public resource mobilization and spending. In the budget formulation and approval stages, key documents outline the service delivery, and development plans governments seek to implement during each financial period and allocate resources to achieve these objectives. Therefore, defining budget priorities lays down clear markers for County Treasuries to divide resources among competing public needs and minimize erratic budgetary decision-making. It also enhances the public’s ability to assess whether public investments are in line with public needs.
Description of Budget Documents

The following are descriptions of each budget document and how each is structured in the Questionnaire.

i. **The Annual Development Plan** - This budget document updates strategic priorities in the CIDP in line with any emergent issues in the budget, the economy, and political matters that affect priorities. This budget document is categorized as a revenue category in the Questionnaire, with information on revenue projections. Further, the ADP presents information on expenditure allocations and the budget allotted to programmes & sub-programmes classes. It also gives non-financial information. Lastly, in descriptions of the capital projects, the ADP has more annualized information as compared to the County integrated development Plan.

ii. **The Programme-Based Budget** - This budget document generally gets more attention than other budget documents because it informs the revenues, including how much citizens are to pay in taxes and how counties distribute resources among citizens in the form of expenditures. The Programme-Based Budget should be comprehensive with revenues and expenditures of entities that conduct county activities. In the Questionnaire, the PBB contains the following categories: revenue mobilization, priorities, expenditure estimates, including economic classification further disaggregated to operations & maintenance, personnel compensation information, and capital expenditure information. Another major expenditure classification is at the functional level, which comprises programmes and sub-programmes, including non-financial information. Information on capital projects is another category with details, i.e., location, costs, and timelines.

iii. **The County Fiscal Strategy Paper** - This budget document gives us information on how big the total budget for the coming budget year and the shares of the budget should go to each of the major sectors, i.e., health, agriculture, education, etc. This budget document presents information on the first six months of the current year under implementation. This document also explains the priorities for the coming budget year. The CFSP presents questions on the following categories: revenue categories and expenditure classifications that cover actual and targets for the already implemented half-year. The questions on priorities and sector ceilings are also covered in the Questionnaire—another important part of this section questions fiscal responsibility regarding the compliance of proposed expenditures. The CFSP also has information on macroeconomic assumptions and how the county priorities are linked to national objectives.

iv. **The County Budget Review and Outlook Paper** - Contains four major broad categories:
review revenue and expenditure (further classified to economic and functional levels) for the previous fiscal year, current year economic update, and impact of revenue and expenditure. Also, the County Budget Review and Outlook Paper present questions on provisional sector expenditure ceilings and revenue projections. Lastly, the CBROP has information on how a county adhered to fiscal responsibility principles in the last financial year.

v. **The County Quarterly Budget Implementation Report**- This budget document provides information on budget implementation (both financial and non-financial information) by regularly reviewing performance and monitoring capital expenditures' budget implementation and strategies quarterly. One month after the end of each quarter, counties issue these reports as the year's budget undergoes implementation. Since these reports on the approved budgets' progress, the Questionnaire presents the questions that cater to quarterly revenue and expenditure performances (targets and actuals). It also has questions that present information on the information's progress on capital projects and implementation challenges.

vi. **The Citizens Budget**- This is a non-technical presentation of Programme-Based Budget Estimates. It can take many forms, but its distinguishing feature is that it is designed to reach and be understood by as large a segment of the population as possible. It is designed to present key public finance information to a general audience. It is typically written in an accessible language and incorporates visual elements to help non-specialist readers understand the information. In the Questionnaire, the Citizens Budget covers the following categories of questions: revenue information and expenditure allocations. It further presents questions on the Citizens Budget presentation, county budget process, glossary, annexes, and contact information. Counties are highly encouraged to produce Citizens Budgets for other key budget documents, guiding public engagements to make quality decisions.

vii. **The County Finance Act**- Provides details of different amendments to a county's tax laws, including changes or inclusion of various levies and charges for the current financial year. This document provides information on revenue-raising measures. After the Appropriation Bill's approval by 30 June, the Finance Bill is supposed to be passed after 90 days and be referred to as the Finance Act. The County Finance Act helps county governments improve revenue collections by identifying new revenue streams and strengthening the existing revenue laws. The questionnaire covers the following key sections: commencement date(s) of proposed revenues, modification of pre-existing laws, details of tax/charges to be imposed, revenue administration on payment and status of the local authority by-laws.
Limitations of the Survey.
The Questionnaire covers a wide array of information that key budget documents should provide. However, several key issues are not important for transparency. They are not included in the index because the interpretation of information on them is subject to interpretation. Therefore, the survey has an accompanying modular analysis that covers the following:

| i. Public Participation | This is a requirement in planning and budgeting in counties in line with a number of laws and regulations. There shall be participatory structures and processes encompassing a broad range of strategies for public participation in the planning and budgeting process, including open forums, written submissions, online platforms and media, specification of venues of public participation, and public participation dates. The Questionnaire does not cover the full breadth of the structures and process, as some information is not captured in the budget documents. In other cases, even when the information is provided, whether what is presented passes the test of meaningful public engagement requires further analysis. Therefore, the Questionnaire asks whether certain sets of information are presented in the budget documents. Further analysis of that information is done to answer the value of public engagement described. More interviews with government officials and CSOs can be done to complete this picture. Besides, some elements of public participation require tracking. Here we are only assessing the information on public participation provided in the budget documents or public participation reports that can accompany the budget documents needed to be subjected to the public. Therefore, public participation principles and what is considered effective public deliberations, i.e., the relevance of the materials provided to the citizens during public engagements, quality of facilitation, etc., require a separate deeper analysis of what the survey can practically and uniformly evaluate across the 47 counties. The questionnaire evaluates public participation in four key budget documents: County Integrated Development Plan, Annual Development Plan, County Fiscal Strategy Paper, and Programme-Based Budget. For the questions to be applied comparatively across all the counties, the Questionnaire goes for two broad key questions that ask for evidence on the public's involvement, the kind of priorities raised by the public and how the inputs utilized with the kind of decisions informed. In the coming survey, IBP Kenya will implement a real-time tracking system that captures the information on the county government's public spaces to the citizens. This means more questions on public participation based on public participation mechanisms and principles are to be evaluated. |

| ii. Equity | Kenya's decentralized form of governance has budgets at the centre of |
ensuring equity in distributing resources at the county level. Therefore, a key question is whether the survey can evaluate the budget documents for information related to fairness in county resources distribution. Only one question in the tool about capital projects' location is closely related to equity. In CBTS 2021, IBP Kenya published modular findings on equity that accompanied the CBTS 2021 report.

iii. **Timelines**- Since this survey responds to the budget documents produced for the financial year 2021/22 or prior, which has already passed at the time of conducting this survey, and there was no tracking of timelines when the county government made the budget documents available to the public, so this component is not assessed in this survey. To be considered publicly available, a document must be published within an acceptable timeframe, which is more relevant. In the following study, the International Budget Partnership Kenya works with Budget facilitators based in various counties with a real-time checker that keeps track of when counties made their documents publicly available. This means the coming survey is a new component that assesses this as per the legal requirements that need budget documents published and publicized within seven days after presentation to the County Assembly for approvals. Thus, all the budget documents produced and published for FY 2022/23 were checked on the timeliness component.

iv. **Supplementary Budgets**- A study on legislative amendments has shown that supplementary budgets are becoming an issue in counties. Budget practitioners have consistently raised concerns about the procedures counties to follow in approving the supplementary budgets, which threatens shifts in priorities that were pegged initially on. This is one of the reasons why the County Budget Transparency Survey 2021 has included a module to further look into the information counties provide in supplementary budgets. But not all 47 counties have supplementary budgets; instead, they are not necessarily required by the law. Thus, it cannot be done comparatively. The CBTS only evaluates the level of information as a module in five counties that have published them online. The findings in CBTS 2021 on supplementary budgets showed counties produce it but don't publish it. Also, in CBTS 2022, we will still evaluate the level of information provided in the supplementary budgets published by counties.

v. **Sector Module** – This is a new modular piece that the County Budget Transparency Survey 2022 will evaluate -the level of information counties provides on the health sector. This assesses the approved Programme Based Budgets, and the County Quarterly Budget Implantations reports and where the implementation reports are missing the County Budget Review and Outlook Paper. In the coming surveys, more sectors will also be evaluated.

vi. **Good practices** – Currently, the County Budget Transparency Survey only measures the parameters set in the Kenyan PFM Act laws and regulations. This means that in the
coming years, the survey scope will be expanded to assess the best practices as budget transparency for adherence and the information that serves the citizen's demand information.

**Scoring**

The County Transparency Survey has two components that measure budget transparency, and the maximum available score is 100 percentage points, split into two of which the evaluation of the budget document's availability takes 30 points. The remaining 70 points go to the comprehensive survey since the document contents are even more important. All the questions' scores are aggregated to a simple average weighted by 70 points.

The questions in this Questionnaire have either two, three or four options. For questions with four options, the first response denoted by the letter "A" is given if the response has fully met the questions asked, and this reflects the best practice in the presentation of the subject addressed by the question and scored at 100 percent. The second response, denoted by the letter "B", is given if the response has not fully met the question's requirements - there is some information missing but reflects good practices and a numeric score of 67 percent. Option "C" demonstrates a case of poor practice concerning the subject covered by the question and gets a numeric score of 33 percent. The last option, "D," indicates no information related to the subject is provided; in that case, a score of 0 percent is given.

In the questions with three options, an "A" is given if the response has best practice in the presentation of the subject addressed by the question, fully meeting the key asks for the question and scored at 100 percent, and a "B" generally reflects weaker, but still good practice with a score of 50 percent and a "C" in where the key budget documents present no information. Also, where there are questions with only two options, a "Yes" score is given when a set of information representing the best practice is provided and gets 100 percent. A "No" is given where information is not provided and that scores a 0 percent. Notably, the first part of the survey on availability that focuses on whether key budget documents are publicly available uses this last scoring criterion of "Yes" and "No" to represent the "Available" and "Not Available," respectively.

**Completing a Questionnaire- A guide to Researchers and Reviewers**

This part helps the Researchers and Reviewers understand the steps that the survey follows to completion. The online system/tool used to collect researchers' and reviewers' responses is covered.
Understanding the Requirements of the Question

i. The Questionnaire and online system provide a guideline for every question. This guideline details what the Researcher looks for in a budget document, enabling the right picking of choices.

ii. Once the Researcher picks an option, a Researcher should provide a justification and a link, pages, and snippets of that information.

Accessing the Available Budget Document and Navigating Through the Online System and Submitting the Results

1) Open the online system by following the link sent to your e-mail and fill in your registration details to allow you to proceed and evaluate the available documents.

2) The Researchers go to the Excel sheet with all the budget documents published online by Counties on 20th September 2022 (Last date checked across all the counties). A sample of Availability Results Sheet

3) The Researcher downloads the document that they are to evaluate, sometimes links may not work, and in such a scenario, the Researcher should access the budget
document in the shared google drive, which contains all the budget documents that were available between 17\textsuperscript{th} August 2022 and 20\textsuperscript{th} September 2022 in the official government websites. To access the document in the shared folder, click on the google drive link and then look for the county that you are evaluating and open that folder to access all the budget documents published by the County; get the budget document you want to evaluate.

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4) After getting the budget document, open it and skim through the entire document to get an idea of what the document entails.

5) In the online system, ensure you skip all the questions by checking "no" to the questions asking the budget document's availability and clicking next until you find a document you want to evaluate based on the Availability on the Excel template.
3. Does the County you are evaluating have an Annual Development Plan published online?

- [x] A. Yes
- [ ] B. No

If you are evaluating CBROP, check the "yes" button and click next, and it leads you to the page where all the CBROP questions are evaluated. (If you are not able to finish in one sitting, click save and continue later at the right corner of the tool)
Ensure your questionnaires are opened for references and clarities.

6) Read the question and understand what it is asking, read guidelines and legal underpinnings, and look at the Questionnaire with examples to ensure you understand the question entirely.

Note to Researchers: Question 13 is a continuation of question 12.

12. Does the County Budget Review and Outlook Paper present information on the revenue performance for the previous financial year by the following sources/categories?

- A. The CBROP has provided information on the previous year’s actual revenue performance broken down into three major sources.
- B. The CBROP has provided information on the previous year’s actual revenue performance broken down to any two of three major sources.
- C. The CBROP has provided information on the previous year’s actual revenue performance broken down to any one of three major sources.
- D. The CBROP has none of the above information.

Researcher’s Comments:

Click the (i) icon at the top right corner of the question to read the guidelines and legal underpinnings.
7) Answer the questions choose one option, justify your answer by inserting page numbers where the information is found, and add links/snippets of the page/ for annexes. Please do not skip the Researcher's comments section; ensure you have it filled even if the option is "A," Justify why you chose that option.

8) If you have any challenges, get in touch with your Reviewer.

Remember, your results are submitted automatically, and no need to worry about Submitting them. Your progress is saved.
Glossary Terms

List of terms used repeatedly in this Questionnaire or related county budget transparency survey materials. Other budgeting terms used once or twice have been defined therein, and more explanations are in the Questionnaire.

Availability Survey – In the CBTS 2022, two official county websites - the County Executive and Assembly websites, are considered for the survey. We know other government institutions or NGOs' websites publish the budget documents on their websites, but CBTS 2022 does not consider that official.

Budget classification - The level of disaggregation depends on the type of document. The word "Information" where it appears means a document may present information in the form of a table, bar graph, or narrative.

Budget year/ Fiscal Year/ Financial Year - An entire government budget reporting period covering twelve months from 1st July each calendar year to 30th June of the subsequent calendar year.

Comprehensiveness Survey – The second part of the CBTS checks the comprehensiveness of the budget information made available in published budget documents. This questionnaire contains 75 questions covering all the Seven key budget documents assessed comprehensively in CBTS 2022. Additionally, there are 19 more questions not scored for the Health Modular research piece.

Development/Capital expenditure - Expenditure incurred to buy, improve, or extend the life of capital items/fixed assets, i.e., roads, buildings, equipment, etc.

Economic classification – Purpose on which the funds are utilized. Focuses on recurrent expenditure (personnel emoluments, operations, and maintenance) and development expenditure, including purchases and transfers to individuals to the programme level.

Entertainment tax - Tax imposed by the county government on certain entertainment forms such as shows, film exhibitions, etc.

Flagship Project/Capital project/Transformational project - They are financed through development/capital expenditure and usually last at least a financial year. They are projects meant to benefit several wards or the whole county, which is how they differ from ward-specific projects.

Functional classification – The sectoral class or group to which expenditure belongs, i.e., health, education, agriculture, et cetera. Spending at a programme and the sub-programme level falls under functional classification.

Multイヤear – This refers to information that refers to a period that is more than one financial
year. This could be years in the past or the coming years.

**Modular research** - Additional research on transparency in certain thematic budget areas that could not be measured through a standardized questionnaire. Examples here include public participation and equity.

**Publicly available** - indicates the availability of a budget on the official county government websites and accessibility during the survey period. For the CBTS 2022, two official county websites are examined – the legislative arm of government (the County Assembly) and the executive arm's official website (the County Executive).

**Priority** - Categories of spending that are given precedence over the medium term. They could be sectors/departments/ ministries or programmes and sub-programmes or projects determined by the government to be of higher importance, thus receiving a higher budget allocation or share than the previous year(s).

**Programme** – A group of independent but closely related activities designed to achieve an expected outcome. In some instances, counties may refer to programmes as sub-sectors.

**Property tax**- Tax levied by the county government on land or land improvements such as buildings. The rate depends on the location and value of the property.

**Readable Format** - The contents of the budget document should be provided in ordinary document formats such as the open Portable Document Format (PDF) or the popular, readily available word processing formats (.doc and .docx) be downloadable. Where a downloaded document was not opened by PDF and DOC file viewers, such as Adobe Acrobat and Microsoft Office, respectively, the budget document was considered not to be accessible.

**Revenue Information** - Information on the income received by county government from various revenue sources, including intergovernmental transfers, which comprises equitable share and conditional grants and local revenues/ Own Source Revenue, which is income from taxes, charges, and levies imposed and collected by the county.

**Local Revenues/ Own Source Revenue**- *(Where not indicated)* These are the revenues that counties are authorized to impose charges on. It falls under the following major categories: property rates, entertainment taxes and any other tax authorized by an act of parliament.

**Recurrent expenditure** – Regular expenditure incurred for the ongoing operation of a county government. It includes expenses such as compensation to employees, purchase of goods, services & operations, and maintenance and does not include development/capital costs.

**Senior Reviewers** - A panel of individuals who are experts in public finance and survey methodologies who provided overall guidance during the survey process.
**Sector/ Department/ Ministry** - These are a group of institutions that contribute towards a common function such as health, education, agriculture etc., service delivery. Kenyan counties use the terms sectors/ departments and ministries interchangeably, although some may distinguish when distributing or reporting their budget expenditures. These sectors could include Agriculture, Rural and Urban Development ii) Energy, Infrastructure, and ICT; iii) Health iv) Education v) Governance vi) Public Administration vii) Social Protection, Culture and Recreation; and viii) Environmental Protection, Water and Natural Resource as provided in the Mwananchi Guideline but sectors/ departments/ ministries vary in Counties.

**Sector Ceilings** – the maximum budget distribution/ allocations to each sector/department/ministry.

**Sub-programme** - It is the part of the programme created to deliver services and activities that contribute to achieving a program's objectives, i.e., projects.

**Survey tools** - The survey tools for this study included a detailed questionnaire, a catalogue with information upon which the questionnaire was generated and a questionnaire with sample information to help guide the researchers.
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77. Does the approved Programme Based Budget present the coming year’s approved expenditure for the health sector/department or ministry?

78. Does the approved Programme Based Budget present the coming year’s expenditure breakdown to recurrent and development in the health sector/department or ministry?

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80. Does the approved Programme Based Budget give expenditure projections by at least two upcoming budget years for questions 77, 78 and 79?

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82. Does the approved Programme Based Budget present information on personnel details such as the number of staff/employees, designation, and staff costs for the health sector/department or ministry?

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### Questions Evaluating the Level of Comprehensiveness of Budget Documents

#### ANNUAL DEVELOPMENT PLAN

The Annual Development Plan (ADP) is a document that frames the development plan for a county for one financial year. Ideally, the ADP allows the county to update priorities in the CIDP in line with any emergent issues in the budget, the economy, and political matters that affect priorities. Section 126(3) of the PFM Act requires the County Executive Committee member to table the ADP in County Assembly for approval by 1st September of each financial year. This forms the basis of the next annual budget preparation in line with section 104(1) of the County Governments Act, which states that “no funds should be appropriated outside a planning framework.”

The following are the key sets of information and questions evaluated in the Annual Development Plan: The key references in the ADP section are’ & 8.

#### Strategic Priorities:

The Annual Development Plan should provide strategic priorities over the medium term due to scarce resources and competing needs. In the Annual Development Plan strategic priorities section of this questionnaire, the following two key questions are evaluated:

<table>
<thead>
<tr>
<th>Question</th>
<th>Option A</th>
<th>Option B</th>
<th>Option C</th>
<th>Option D</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Does the current Annual Development Plan provide strategic priorities within the sectors/departments or ministries?</td>
<td>A. The ADP has provided strategic priorities in all sectors/departments or ministries for the coming budget year.</td>
<td>B. The ADP has provided strategic priorities in some but not all sectors/departments or ministries for the coming budget year.</td>
<td>C. The ADP has provided overall strategic priorities for the coming budget year.</td>
<td>D. The ADP has none of the above information.</td>
</tr>
</tbody>
</table>

**Guideline:** Question 1 asks whether the ADP has provided information on key programmatic priority areas or projects for the coming budget year for each sector/department or ministry.

**Note to researchers:** This question requires strategic priorities to be provided in the Annual Development Plan across all the sectors/departments or ministries to be answered: “A.” If a county has provided strategic priorities in some departments, then researchers should pick option “B,” and where a county only provides overall priorities for the coming year (probably at the beginning of the ADP), then option “C” is picked.

**Source of the Question:** “Every county government shall prepare a development plan per Article 220(2) of the Constitution, that includes: (c) programmes to be delivered with details for each programme of (i) the strategic priorities to which the programme contributes”.

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7 [Key questions about your County Annual Development Plan](http://kenyalaw.org:8181/exist/kenyalex/actview.xql?actid=No.%2017%20of%202012)

8 Please see section 104: [http://kenyalaw.org:8181/exist/kenyalex/actview.xql?actid=No.%2017%20of%202012](http://kenyalaw.org:8181/exist/kenyalex/actview.xql?actid=No.%2017%20of%202012)
2. Does the Annual Development Plan indicate within sectors or in a summarized form the information on how the priorities in ADP are connected with the CIDP priorities?
   A. Yes
   B. No

**Guideline:** Question 2 asks whether the ADP has provided information on how key priorities and major projects are related to what is provided in the CIDP. The ADP should capture/indicate information on how its connectedness with the CIDP. This information can be found in a summarized section or provided within the sectors/departments or ministries.

To answer “A” in this question, ADP must have a section giving details or mentions what priorities are connected to what was provided in the current CIDP. This could include key projects or flagship projects provided within sectors or in a summarized section.

**Source of the Question:** PFM Act 2012 126 (1) (a) “every county government shall prepare a development plan under Article 220(2) of the Constitution, that includes: (a) strategic priorities for the medium term that reflect the county government’s priorities and plans”.

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**Revenue Mobilization**

The Annual Development Plan should give information on resource mobilization broken down to individual revenue sources for the coming budget year. This guides the county development planning on how realistic their revenue projections are in the coming year. In this questionnaire, the following key question is evaluated on revenue mobilization.

According to the constitution of Kenya 2010 section 175 (b), one of the principles of devolved governments is that county governments shall have reliable sources of revenue to enable them to govern and deliver services effectively.
3. Does the current ADP present information on revenue targets for the next budget year broken down by source?

A. The ADP has presented the revenue targets for the upcoming budget year broken down by all three major sources.

B. The ADP has presented the revenue targets for the upcoming budget year broken down by two of three major sources.

C. The ADP has presented the revenue targets for the upcoming budget year broken down by one of three major sources.

D. The ADP has none of the above information.

Guideline: Question 3 asks for information on revenue projections for the coming budget year under a plan disaggregated by the revenue sources. The sources should include equitable share, local/own revenue sources, and conditional grants, presented in tables or narratives.

To answer “A” in this question, ADP must have all the three major sources of revenue equitable share, local revenue, and conditional grants with the coming year revenue figures. The county must have a full breakdown of three sources of revenue. To answer “B” in this question, ADP must have upcoming year revenue figures for at least a breakdown of revenue sources to any two of three major sources as in options “A.” Where an ADP has provided only by one source of revenue targets for the coming budget year, Researchers should pick option “C.”

Source of the Question: PFM Act 2012 126 (1) (g) “every county government shall prepare a development plan per Article 220(2) of the Constitution, which includes a summary budget in the format required by regulations”. The budget summary includes information on revenue mobilization
4. **Does the current Annual Development Plan present information on the upcoming year’s targets for each breakdown of local/own source revenue?**

   A. Yes  
   B. No

**Guideline:** Question 4 asks whether the ADP has provided the coming year’s local revenue projections broken down to its sources. The local revenue breakdown may include Property related revenue, administrative fees & Charges, Business permits, Vehicle Parking fees, Natural Resources, exploitation & Conservancy, Public Health Services, Markets, trade licenses & slaughterhouses, Cess, Water & Sewage Services, All other revenue.

For researchers to answer ‘A,’ the Annual Development Plan has presented the information on various local revenue sources with their coming year’s projections. Answer ‘B’ where the Annual Development Plan has not provided the information required in option ‘A.’

**Source of the Question:** PFM Act 2012 126 (1) (g) “every county government shall prepare a development plan per Article 220(2) of the Constitution, which includes a summary budget in the format required by regulations”. The budget summary includes information on revenue mobilization.

**Expenditure Information:**

The Annual Development Plan should give information on the performance of recurrent and development expenditures for each department/sector for the previous ADP and allocations in the coming budget year.

5. **Does the current ADP provide the coming year budget projections by departments/sectors or ministries?**

   A. Yes  
   B. No

**Guideline:** Question 5 asks whether the ADP has given the proposed expenditure for the coming year broken down to departments/sectors. This may be in the form of tables or narratives.

To answer “A” in this question, researchers should ensure that departments, sectors, or ministries provide coming year expenditure projections, and the number may vary across counties. Counties may not have similar departments. Answer ‘B’ where there is no information on the coming year expenditure projection classified by departments, sectors or ministries.

**Source of the Question:** PFM Act 2012 126 (1) (g) “every county government shall prepare a development plan following Article 220(2) of the Constitution, that includes a summary budget in the format required by regulations”. The budget summary includes information on expenditure.
6. **Does the ADP provide information on budget allocation for the coming year broken down to recurrent and development by department/sectors or ministries?**

   A. The current ADP has provided information on the coming year's recurrent and development projections by departments/sectors or ministries.
   
   B. The current ADP has provided information on the coming year's recurrent and development projections by some but not all departments/sectors or ministries.
   
   C. The current ADP has provided information on the coming year's total recurrent and development projections but not broken down by departments/sectors or ministries.
   
   D. The current ADP has none of the above information.

**Guideline:** Question 6 asks whether the ADP has given the proposed expenditure for the coming year broken to recurrent and development for each department/sector or ministry. This may be in the form of tables or even clear narratives.

To Answer “A” in this question, an ADP must have a breakdown of recurrent and development figures for the coming year by each department/sector or ministry. To Answer “B” in this question, an ADP must have a breakdown of recurrent and development figures for the coming year and by some but not none of the departments/sectors/ministries. To Answer “C” in this question, an ADP must have a breakdown of the overall coming year budget projection classified to recurrent and development.

**Source of the Question:** PFM Act 2012 126 (1) (g) “every county government shall prepare a development plan following Article 220(2) of the Constitution, that includes a summary budget in the format required by regulations”. The budget summary includes information on expenditure.

**Programmes and Sub-programmes**
The Annual Development Plan should have expenditure information at programmes and sub-programmes level; the information at these levels should include non-financial data, i.e., indicators, baselines, and targets.
7. **Does the current ADP present expenditure projections for the coming year below departmental/sectoral or ministry-level?**

   A. The current ADP gives coming year expenditure projections below the departmental/sectoral or ministry-level by each of the departments/sectors or ministries.
   
   B. The current ADP gives the coming year expenditure projection below departmental/sectoral or ministry-level to some but not all the departments/sectors or ministries.
   
   C. The current ADP has none of the above information.

**Guideline:** Question 7 asks whether the ADP has provided information on the expenditure projections for the coming year below the departments/sectors or ministries. This information means the expenditure should be broken down into programmes and sub-programmes. However, this question looks at whether such disaggregation is provided across the departments in the ADP.

To answer “A,” a county must provide expenditure projections for the coming year for each department/sector or ministry. This information may be at the sub-programme or programme level. To answer “B,” a county should provide expenditure projections for the coming year for each sub-programme or under each programme in some but not to all the departments/sectors or ministries. In this question, expenditure projections are provided at the sub-programmes level or programmes. Researchers should understand that programmes or sub-programmes levels are only accepted in this question and taken as the information below departmental/sectoral/ministry levels.

**Source of the Question:** PFM Act 2012 126 (1) (c) (iv) “every county government shall prepare a development plan in accordance with Article 220(2) of the Constitution, that includes-the budget allocated to the programme.

**Non-Financial Information**

The Annual Development Plan should present key performance information that is used to track implementation over time. The non-financial data include targets achieved by programmes and sub-programmes in the previous ADP and the planned targets for the upcoming budget year.
8. **Does the current ADP provide non-financial information: indicators, current year baselines and proposed targets for the coming budget year at Sub-programme or Programme level by the departments/ sectors or ministries?**

A. The current ADP gives non-financial information - indicators, current year baselines and proposed targets below the departmental/ sectoral level by each of the departments/ sectors or ministries.

B. The current ADP gives non-financial information- indicators, current year baselines and proposed targets below the departmental/ sectoral level to some departments/ sectors or ministries or The current ADP gives non-financial information- indicators and proposed targets but misses current year baselines below the departmental/ sectoral level by each of the departments/ sectors or ministries.

C. The current ADP gives non-financial information- indicators and proposed targets but misses current year baselines below the departmental/ sectoral level by some of the departments/ sectors or ministries.

D. The current ADP has none of the above information.

**Guideline:** Question 8 asks whether the ADP has presented non-financial information at the sub-programme level under each programme with indicators, current year baselines and proposed targets for the coming budget year across all the sectors/ departments.

To Answer “A,” a county must provide three key non-financial data: indicators, current baselines, and planned targets for the upcoming budget year to each of the sub-programme under each programme for each department/ sector or ministry. To answer “B,” a county should provide what is provided in option “A” but not in each of the departments/ sectors or ministries or where the ADP has only missed the current year baselines but has presented the non-financial details at sub-programme or programme level across all the departments/ ministries or sectors. Answer ‘C’ where the Annual Development Plan has missed the information on the baselines but has provided other details on indicators and proposed targets in some departments/ ministries or sectors.

**Source of the Question:** PFM Act 2012 126 (1) (c) (iii) (iv) “every county government shall prepare a development plan in accordance with Article 220(2) of the Constitution, that includes: programmes to be delivered with details for each programme of the services or goods to be provided; measurable indicators of performance where feasible”.

**Capital Projects/Flagship/Transformational Projects:**

The Annual Development Plan should provide information on flagship/ capital projects the county plans to undertake in the upcoming budget year. As an advancement of the CIDP, the projects presented in the Annual Development Plan should have more details and are more specific on individual capital projects, not only major flagship projects as in CIDP.⁹

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⁹ These are projects with high impact in terms of employment creation, increasing county competitiveness, revenue generation etc.
9. Does the current ADP provide key details for the capital projects for the next budget year under the plan?

A. The ADP has provided all the following details on the capital project: specific location (i.e., sub-county or ward), proposed allocation, status (i.e., new, or on-going) and the implementation time frame (start - end) for each capital project.

B. The ADP has provided the specific location (i.e., sub-county or ward) and proposed allocation and either the status (i.e., new, or on-going) or the implementation time frame (start - end) for each capital project.

C. The ADP has provided the specific location (i.e., sub-county or ward) and proposed allocation only for each capital project.

D. The ADP has none of the above information.

Guideline: Question 9 asks whether the Annual Development Plan has given the following details on the capital project: specific location (i.e., sub-county or ward), proposed allocation, status (i.e., new, new or on-going) and the implementation time frame (start - end) for each capital project.

Researchers should note that in this question, specific location (i.e., sub-county or ward) and proposed allocation for each capital project must be presented in the Annual Development Plan. Researchers should know that there are other details of capital projects, but this question assesses only four key details necessary to inform public engagements and track implementation. Implying that any other information on capital projects is also important.

To answer “A,” each capital project should have a specific location (i.e., sub-county or ward), proposed allocation, status (i.e., new, or on-going) and the implementation time frame (start - end) for each capital project for each of the sectors/ departments/ ministries. To answer “B,” each capital project should have a specific location (i.e., sub-county or ward), proposed allocation and either status (i.e., new, or on-going) or the implementation time frame (start - end) for each capital project for each of the sectors/ departments/ ministries. Answer “C” where the ADP has only the specific location (i.e., sub-county or ward) and proposed allocation for each capital project provided in each of the departments/ sectors, or if it is annexed, completeness and consistency of the information is checked.

Source of the Question: PFM Act 2012 126 (1) (e) “every county government shall prepare a development plan in accordance with Article 220(2) of the Constitution, that includes a description of significant capital developments.”

Public Participation

Public involvement during the preparation of the ADP is required, and the County Governments Act 2012 115 (1) (b) (iii) provides that public participation in the county planning processes shall be mandatory. More so, the priorities that are highlighted in the ADP should be subjected to public participation. The ADP should capture the views that were collected from the public and how that input was adopted into the final ADP document. The justification should also be provided in all cases where public input was used and not used.
10. Does the current ADP provide information on public participation with details on the priorities submitted from the public, who was involved, at what level (sub-county, ward, or village) it was conducted?

A. The ADP has provided the public participation section with information on all the following: the priorities/inputs submitted from the public, who was involved, and the level it was conducted.
B. The ADP has provided the public participation section with information on the priorities/inputs submitted from the public and either who was involved or the level it was conducted.
C. The ADP has provided the public participation section with information on the priorities/inputs submitted from the public only.
D. The ADP has none of the above information.

Guideline: Question 10 asks whether the ADP has provided the section on public participation, which should have three key sets of information: the priorities/inputs submitted from the public, who was involved, and the level it was conducted. The section could be captured within the document or annexed.

To answer “A,” a County Annual Development Plan must provide a public participation section within the document or annexure with all the three key sets of information: priorities/inputs that were raised by the public/in public participation, who was involved (the disaggregation of the participants), the level where the public was engaged, i.e., at village, ward or sub-county levels. To answer “B,” an ADP must provide information on the priorities/inputs that were raised by the public/in public participation with any other one information chosen from the two remaining components: who was involved (the disaggregation of the participants), the level where the public was engaged, i.e., at village, ward or sub-county levels. Answer “C” where ADP has information on the priorities/inputs raised by the public/in public participation only. Where a county lacks the first key information on priorities/inputs raised by the public in public participation, then the information on Public Participation is assumed not to have been provided by the County.

Source of the Question: PFM Regulations 7 (1) “for purposes of public participation in the planning and budgeting process, there shall be participatory structures and processes that shall encompass a broad range of strategies including open forums, written submissions, online platform and media; specification of venues of public participation, dates of public participation.”

11. Does the Annual Development Plan have a section with information on how public input was utilized and what decisions it informed?

A. The ADP has a section with the information on how citizens’ feedback was incorporated into the final ADP document and how those inputs informed the
B. The ADP has a section with the information on how citizens' feedback was incorporated into the final ADP document but no information on how those inputs informed the County’s decisions.

C. The ADP has none of the above information.

Guideline: Question 11 asks whether the ADP provides details of how input from the public was incorporated as the priorities that were selected. The ADP should give justifications on inputs incorporation to the document and how those inputs have shaped the final ADP document. The ADP should also justify citizens' contributions that were never incorporated into the final document and the decisions/priorities it informed.

To choose option “A,” the ADP section within the document or in the annexed pages that present the information on how citizens' feedback was incorporated into the final ADP document and how those inputs informed the County’s decisions. To choose option “B” where the ADP has provided what is given in option “A” but does not have any information on what decisions those priorities informed in the County. Choose option “C,” where the ADP has no section with the information provided in option “A.”
COUNTY BUDGET REVIEW AND OUTLOOK PAPER

The County Budget Review and Outlook Paper is a backward-and forward-looking budget document that looks at three key sets of information. First, it provides a review of performance for the past full year. Secondly, it updates on economic updates provided in the County Fiscal Policy earlier in the year and their implication of budget performance for the current year. Lastly, it gives revenue and expenditure projections for the coming year. Section 118 of the Public Finance Management Act 2012, read together with county PFM regulations 2015 7(3), provides that CBROP should be tabled in the county assembly by late October and publicized by 28th October.

The County Budget Review and Outlook Paper presentation should be at least in a similar presentation of the Programme-Based Budget, and there should be information on non-financial performance information with comparisons of actual and targets. Since the CBROP is the end-year report, it should cover all the major items included in the budget, explaining differences between the original estimates or as amended by the legislature during the year, and the actual outcomes for expenditure, revenue, etc. the macroeconomic assumptions. The Key references include PFM Act 2012 118 (2) & 11.

The CBROP should have the following details:

Performance Review for the Previous Year- Revenue Performance

The CBROP provides previous budget year performance information for all individual revenues’ components, i.e., equitable share, breakdown of conditional grants and breakdown, and individual local revenues. The CBROP gives information that shows the compliance levels of the actual revenue to their target. In this section of revenue performance, the following two key questions are evaluated in this questionnaire.

Note: Question 13 is a continuation of question 12.

10 In preparing CBROP the County Treasury shall specify.
11 How to read and use a Budget Review and Outlook Paper
12. Does the County Budget Review and Outlook Paper present information on the revenue performance for the previous financial year by the following sources/categories?

A. The CBROP has provided information on the previous year's actual revenue performance broken down into three major sources.

B. The CBROP has provided information on the previous year’s actual revenue performance broken down to any two of three major sources.

C. has provided information on the previous year’s actual revenue performance broken down to any one of three major sources.

D. The CQBRIR has none of the above information.

**Guideline:** Question 12 asks whether the CBROP has provided information on the actual past year’s revenue performance. The information should have the three key revenue sources: equitable share, own source/local revenue, and conditional grants.

For the researcher to choose “A” in this question, a CBROP must have all the three components of revenue: equitable revenue share, local revenue, and conditional grants with their actual past year performance. To choose “B” in this question, a CBROP must have any two of the three components of revenue mentioned in option “A” and to choose “C” in this question; a CBROP must have any one of the three components of revenue mentioned in option “A.”

**Source of the Question:** PFM Act 2012 118 2 (a) “the details of the actual financial performance in the previous year compared to the budget appropriation for that year.” In this section, the actual financial performance compared with the targets for revenue components for the previous financial year should be provided in the CBROP.

13. Does the CBROP present approved revenue estimates for the previous year in comparison to what is provided in question 12?

A. The CBROP has presented previous year approved annual estimates for all the three revenue sources: Equitable Share, Local Revenue and Conditional Grants.

B. The CBROP presented previous year approved annual estimates for two of the three revenue sources: Equitable Share, Local Revenue and Conditional Grants.

C. The CBROP presented previous year approved annual estimates for any one of the three revenue sources: Equitable Share, Local Revenue and Conditional Grants.

D. The CBROP has none of the above information.

**Guideline:** Question 13 is an extension of question 12 and asks if the CBROP has provided information on the previous year’s approved annual estimates comparisons. The CBROP should have these comparisons for all the three revenue sources: Equitable Share, Local Revenue and Conditional Grants.

To choose option “A,” the CBROP must provide previous year approved annual estimates in
comparison to what is provided in question 12 for all the three revenue sources: Equitable Share, Local Revenue and Conditional Grants. To choose “B,” the CBROP should have what is required in option “A” for any two revenue sources. The Researcher chooses option “C,” where the CBROP has provided comparison by the previous year's approved annual estimates for any revenue source. Answer ‘D’ where the County Budget Review and Outlook Paper does not give on revenue as required by option ‘A.’

Source of the Question: PFM Act 2012 118 2 (a) “the details of the actual financial performance in the previous year compared to the budget appropriation for that year.” In this section, the actual financial performance compared with the targets for revenue components for the previous financial year should be provided in the CBROP.

14. Does the CBROP present information on the breakdown of local/own source revenue sources/ streams with their previous year’s performance?

A. Yes
B. No.

Guideline: Question 14 asks whether the CBROP has presented information on local revenue performance for the past year against the approved targets. This information should be broken down into individual revenue sources. This may include Property related revenue, administrative fees & Charges, Business permits, Vehicle Parking fees, Natural Resources, exploitation & Conservancy, Public Health Services, Markets, trade licenses & slaughterhouses, Cess, Water & Sewage Services, All other revenue. The CBROP should have the previous year's performance for each stream presented.

The researcher picks option ‘A,’ where the CBROP has presented the information on the individual breakdown of local revenue streams and their previous year's performance. Answer ‘B’ where the CBROP does not have any information on the performance of individual revenue streams/ source

Source of the Question: PFM Act 2012 118 2 (a) “the details of the actual financial performance in the previous year compared to the budget appropriation for that year.” In this section, the actual financial performance compared with the targets for revenue components for the previous financial year should be provided in the CBROP.

15. Does the CBROP present information on revenue collection challenges faced during the previous budget year and proposed solutions to address the challenges?

A. The CBROP explains revenue challenges and the proposed solutions/ measures to curb the revenue challenges.
B. The CBROP explains revenue challenges but does not present the proposed solutions/ measures to curb the revenue challenges.
c. The CBROP has none of the above information.

**Guideline:** Question 15 asks whether the CBROP has provided a section with the information on the challenges that affected the performance of revenues and the potential measures/recommendations or measures put in place to address the challenges faced during the implementation of the previous budget.

To answer “A,” the CBROP should present information on revenue challenges that led to poor performance/why the county did not achieve the set revenue targets and has proposed the solutions to address the revenue challenges. To answer “B,” if only revenue challenges are given in the CBROP and no information solutions to addressed challenges. Answer ‘C’ where none of the information in option ‘A’ is provided by the CBROP.

**Performance Review for the Previous Year- Expenditure Performance**

Since the CBROP functions as the end-year report, it should provide the expenditure performance as implemented in the previous budget year. Further, the CBROP should provide information on the success and challenges faced during the budget execution during the previous year. This should be provided into three expenditure classifications: administrative, economic, and functional. Also, information on departmental recurrent and development expenditure with their absorption rates should be provided on the CBROP.

**Questions 16 through 20 Source:** PFM Act 2012 118 2 (a) “the details of the actual financial performance in the previous year compared to the budget appropriation for that year.” This section requires that the County Budget Review and Outlook Paper gives expenditure performance for the previous year, and since reporting in the end year report should be provided in a similar format as in Programme-Based Budget, this section evaluates the following four questions on approved and actual budgets for the past financial year to individual sectors/departments clearly distinguishing recurrent, and development spending and further assesses information on two major components of economic classification under recurrent expenditure which is compensation to employees/personnel emoluments costs and operations and maintenance/use of goods and services. Further, this questionnaire has a question that evaluates expenditure performance at the programme level.

16. Does the CBROP present information on the previous year’s actual recurrent and development expenditure by sectors/departments or ministries?

A. The CBROP has provided actual recurrent and development expenditure information for the previous year by departments/sectors or ministries.

B. The CBROP has provided actual expenditure information for the previous year by departments/sectors or ministries, with no classification to recurrent and development.

C. The CBROP has provided the previous year’s aggregate actual expenditure classified
to recurrent and development and not by departments/sectors or ministries.  
D. The CBROP has none of the above information.

**Guideline:** Question 16 asks whether the CBROP gives the actual performance information on expenditure disaggregated to recurrent and development for each county’s department/sector or ministry. This should show the absorption rate against the annual targets.

To answer “A,” this question should have a table with actual departmental/sectoral or ministry recurrent and development actual expenditures. To answer “B,” the CBROP should have actual expenditures by departments/sectors or ministries and not classified into recurrent and development. Choose “C” where a county has provided only the county’s total budget disaggregated to recurrent and development expenditure as per the implementation of the previous year without a breakdown by departments/sectors or ministries, meaning only the aggregate expenditure information is provided.

**Note:** Question 17 is a continuation of question 16.

17. **Does the CBROP provide the previous year’s approved budget in comparison to the expenditure information in question 16?**
   
   A. Yes  
   B. No

**Guideline:** Question 17 is a continuation of question 16 and evaluates whether the CBROP has comparisons for the annual estimates for the previous year. This is in comparison to what is provided in the table in question 16.

To Answer “A,” the CBROP should have annual expenditure estimates for the previous year.

18. **Does the CBROP present previous year expenditure performance below the departmental/sector or ministry level?**

   A. The CBROP has presented its previous year’s approved and actual expenditure performance below the departmental/sector or ministry level.  
   B. The CBROP has presented its previous year’s actual expenditure performance below the departmental/sector or ministry level.  
   C. The CBROP has none of the above information.

**Guideline:** Question 18 asks whether the CBROP has provided expenditure information below the departmental/sectoral level/ministry level for the past year. The further disaggregation below the departments is the programme and sub-programmes levels, with their approved and actual expenditures.

To answer “A” in this question, the CBROP should give actual compared with their approved budget provided below the departmental level (at the programme and sub-programme level).
And to answer “B,” the CBROP should have actual expenditure performance below the departmental level.

Researchers should note that this information should be provided across all the sectors/departments or ministries’ programmes or sub-programmes.

19. Does the CBROP present information on expenditure challenges faced during the previous budget year and proposed solutions to address the expenditure challenges?
   A. The CBROP has a narrative on expenditure performance challenges and the proposed solutions to address the expenditure challenges.
   B. The CBROP has a narrative on expenditure performance challenges but does not present the proposed solutions to address the expenditure challenges.
   C. The CBROP has none of the above information.

Guideline: Question 19 asks whether the CBROP has presented a narrative section with details on the challenges that affected the expenditure performance and the potential measures/solutions to address the highlighted challenges faced during the implementation of the previous budget.

To Answer “A,” the CBROP should present information on expenditure challenges that led to poor performance/why the county did not achieve the set targets and has proposed the solutions to address the expenditure challenges. To answer “B” if only expenditure challenges are given in the CBROP and no information solutions to address the expenditure challenges.
Current Year Economic Update and Impact on Revenue and Expenditure

Counties should provide an update on the economic and financial position based on what had been provided in the CFSP earlier in the year. The economic assumptions require that the deviations from the forecast of the key economic assumptions underlying the budget, the government’s key fiscal risk, and all key economic assumptions should be disclosed explicitly.

20. Does the CBROP present an update on the economic assumptions for the current financial year as it was captured in the CFSP presented earlier in the year?

A. Yes  
B. No.

Guideline: Question 20 asks whether the CBROP has provided a section with the information updating the economic factors set in the CFSP earlier in the year. These economic factors include elements such as inflation and interest rates.

To answer “A,” the CBROP should have a section with economic linked with the current economic factors such as unemployment, inflation, and interest rates.

Source of the Question: The PFM Act 2012 118 (2) (b) “in preparing the County Budget Review and Outlook Paper, the County Treasury shall specify the updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper.”

Provisional Sector Ceilings and Revenue Projections

The CBROP is a key document that informs sector hearings at the county level. Counties should provide in their CBROPs the financial projections for resource allocations to each sector. These ceilings are the basis for deliberations on sector priorities and the final decisions on which sectors are prioritized in the final decisions in the CFSP.

Questions (21 and 22) Source: County PFM Regulations 2015 30 (1) (a)- based on budget sector ceilings contained in the County Budget Review and Outlook Paper (C-BROP), the budget sector working groups shall submit by January of each year (N) the sector reports to the County Treasury which shall include printed estimates for the current year (N) and the forthcoming financial year (N+1) and two outer years on a rolling basis (N+2), (N+3). When this is read together with County PFM Regulations 2015 32 (1) on the determination of budget ceilings in the same regulations, it provides that the aggregate resource envelope following the forecast of major revenue (including the equitable share) and expenditure categories (the latter according to both economic and administrative classification).
21. Does the CBROP give revenue projections for the coming fiscal year and at least two outer years?
   A. The CBROP has presented the revenue projections for the coming financial year and the other two upcoming years by source.
   B. The CBROP has presented the revenue projections for the coming financial year only by source
   C. The CBROP has none of the above information.

**Guideline:** Question 21 asks whether the CBROP has provided provisional revenue projections for the coming year and at least two other outer years. The revenue projections should be provided by three major sources: equitable share, conditional grants, and the own/local revenue source. This information may be provided in the form of tables.

For the researcher to choose “A” in this question, a CBROP should provide coming year revenue targets and at least other two-year projections for each of the three sources of revenue equitable share, conditional grants, and the own/local revenue source. To choose “B” in this question, a CBROP should give the coming year revenue projections only by all the three sources in option “A.”

22. Does the CBROP present information on provisional sector/departmental ceilings classified to recurrent and development?
   A. The CBROP has presented provisional sector/departmental ceilings for the coming budget year classified to recurrent and development.
   B. The CBROP has presented provisional sector/departmental ceilings for the coming budget year but not classified as recurrent and development.
   C. The CBROP has none of the above information.

**Guideline:** Question 22 asks whether the CBROP has provided information on proposed allocations to each sector or department in the coming budget year with their classification to recurrent and development. This information may be provided in tables or narratives.

To answer “A,” the CBROP should have departmental/sectoral budget ceilings for the coming budget year, which are categorized as recurrent and development. To answer “B,” the CBROP should have budget ceilings for the coming budget year for each sector/department or ministry.

**Fiscal Responsibility**

The CBROP should contain information on how the actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles or the financial objectives in the CFSP for the financial year.

23. Does the CBROP indicate the county’s compliance with the requirements of fiscal responsibility principles?
   A. The CBROP has linked its previous year's compliance with all the three fiscal rules
provided in this section.

B. The CBROP has linked its previous year's compliance with any two of the three fiscal rules provided in this section.

C. The CBROP has linked its previous year's compliance with any one of three fiscal rules provided in this section.

D. The CBROP has none of the above information.

**Guidelines:** Question 23 checks whether the CBROP has provided information on compliance with all the principles listed in the PFM Act.

In this question, the following three fiscal rules should be adhered to by counties at the end of the budget year on expenditure, and counties should mention the three rules based on the previous year expenditure in the CBROP:

i. county government’s recurrent expenditure shall not exceed the county government’s total revenue,

ii. county government’s actual expenditure on development shall be at least thirty percent of the county government’s budget, and

iii. county government’s expenditure on wages and benefits for its public officers shall not exceed thirty-five percent of the county government’s total revenue.

To answer “A,” the CBROP should have a section with a statement for all the three fiscal responsibilities linked to their actual spending for the previous fully implemented year. To answer “B,” the CBROP should have a section with a statement with any two of the three fiscal responsibilities linked to their actual spending for the previous fully implemented year and to answer “C,” the CBROP should have a section with a statement on any one of the three fiscal responsibilities linked to their actual spending for the previous fully implemented year.

**Source of the Question:** PFM Act 2012 118 (2) (c) (ii) “In preparing its county Budget Review and Outlook Paper, the County Treasury shall specify the information on how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles.” In County PFM Regulations 25 (1), more than three fiscal responsibilities are provided, but in this survey, the three listed above in this question are evaluated.
The County Fiscal Strategy Paper is a critical document in the budget cycle as it sets the total size of the budget for the coming year, including the total size of the resource envelope. Besides, it is the document where the broad county priorities for the county for the year are firmed up. According to the PFM Act 2012 117 (1), the County Treasury shall prepare the County Fiscal Strategy Paper and table it in the County Assembly by the 28th of February. Once the County assembly approves the County Fiscal Strategy Paper, it serves as the basis of sector expenditure ceilings that guide the detailed budget estimates\textsuperscript{12}.

Therefore, the CFSP gives the overall size of county revenue and expenditure for the coming fiscal year. Key Reference\textsuperscript{13} & \textsuperscript{14}.

### Revenue Information

The CFSP resource envelope should be presented by classification of the main revenue categories for the current budget year, three further budget years over the medium term, and actual results for the previous budget years. The County Fiscal Strategy Paper should have justifications on the performance of revenue. The explanations on why revenue targets were surpassed or unmet during the first half and how the county plans to meet its current financial year planned targets in the second half-year. In the revenue section of this questionnaire, the following two key questions are assessed\textsuperscript{15}.

#### Note: Question 25 is a continuation/extension of question 24.

**24. Does the current County Fiscal Strategy Paper present actual revenue performance for the first half of the current year of implementation by source/category?**

- A. The CFSP has information on the actual half-year revenue performance by all three sources of revenue.
- B. The CFSP has information on the actual half-year revenue performance by any two of the three sources of revenue.
- C. The CFSP has information on the actual half-year revenue performance by any one of the three sources of revenue.
- D. The CFSP has none of the above information.

**Guideline:** Question 24 asks if the CFSP has provided information on revenue performance for the first half of the current year of implementation. The information should include details on the three sources/categories of revenue: equitable share, own source/local revenue, and conditional grants.
In this question, researchers should note that all three sources are required. For the researcher to choose “A” in this question, a CFSP must have all three revenue components: equitable share, local revenue, and conditional grants with their actual half-year performance. To choose “B” in this question, a CFSP must have any two of the three components of revenue mentioned in option “A” and to choose “C” in this question; a CFSP must have any one of the three components of revenue mentioned in option “A.”

Source of the Question: County PFM Regulations 2015 27 (1) (a) (i) “The fiscal framework in the County Fiscal Strategy Paper shall contain (a) updated forecasts expressed in Kenya shillings for the current budget year and three further years and actual results for the previous budget years for the consolidated county government budgets for (i) level of budgetary revenues by classification of the main categories of revenues.” Also, the PFM Act 2012 117 (4) has information on revenue.

25. Does the current County Fiscal Strategy Paper present revenue performance with comparisons with either half-year targets or annual estimates?
   A. The CFSP has presented half-year targets or approved annual estimates for all three revenue sources: Equitable Share, Local Revenue and Conditional Grants.
   B. The CFSP has presented half-year targets or approved annual estimates for any two of the three revenue sources: Equitable Share, Local Revenue and Conditional Grants.
   C. The CFSP has presented half-year targets or approved annual estimates for any three revenue sources: Equitable Share, Local Revenue and Conditional Grants.
   D. The CFSP has none of the above information.

Guideline: Question 25 is an extension of question 24 and asks if the CFSP has provided information on revenue comparisons. Which the targeted revenue could be for either the half-year targets or annual targets. The CFSP should have these comparisons for all the three revenue sources: Equitable Share, Local Revenue and Conditional Grants.

To choose option “A,” the CFSP must provide either approved half-year targets or the approved annual estimates for the year in comparison to what is provided in question 24 for all the three revenue sources: Equitable Share, Local Revenue and Conditional Grants. To choose “B,” the CFSP should have what is required in option “A” for any two revenue sources. The researcher chooses option “C,” where the CFSP has provided a comparison by approved half-year targets or the approved annual estimates for any revenue source.

Source of the Question: County PFM Regulations 2015 27 (1) (a) (i). Also, the PFM Act 2012 117 (4) has information on revenue.
26. Does the County Fiscal Strategy Paper provide information on revenue projections for the coming budget year and outer two years by their sources/ categories?

A. The CFSP has provided the revenue projections for the coming budget year and further two outer budget years broken down to all three sources: equitable share, own source/local revenue, and conditional grants.

B. The CFSP has provided the revenue projections for the coming budget year and further two outer budget years broken down to any two of the three sources: equitable share, own source/local revenue, and conditional grants.

C. The CFSP has provided the revenue projections for the coming budget year and further two outer budget years broken down to any one of the three sources: equitable share, own source/local revenue, and conditional grants.

D. The CFSP has none of the above information

**Guideline:** Question 26 asks whether the CFSP provides projection on revenue for at least three outer years in line with the Medium-Term Expenditure Framework. This information should be provided for the individual revenue sources, including equitable share, local revenue, and conditional grants.

Researchers should note that this question requires CFSP to have projections for the coming three years for each revenue source/ category. To answer “A,” the CFSP should give at least three upcoming years' revenue to all the three major categories, then option “B” all at least all the three upcoming budget years revenue projections should be provided but to any two sources of revenues. To answer “C,” any one source of revenue should be provided in the CFSP but for at least three years.

**Source of the Question:** County PFM Regulations 2015 26(1) (b) (c) & 27 (1) (a) (1) “ In 26(1)(b) “a Medium-Term Fiscal Framework defining a top-down aggregate resource envelope…”& in 27 (1) (a) (i) ”The fiscal framework in the County Fiscal Strategy Paper shall contain (a) updated forecasts expressed in Kenya shillings for the … three further years … for the consolidated county government budgets for (i) level of budgetary revenues by classification of the main categories of revenues”.

**Expenditure Performance Information**

This entails the actual expenditures for the half-year period of the current financial year. However, good practice should include the past performance for at least two full years, and the PFM regulations include this as a requirement. Allocating resources to provide ceilings for the coming year and projection for the upcoming budget years over the medium term.

27. Does the County Fiscal Strategy Paper present information on the actual expenditure performance for the first half of the current year of implementation by sectors/ departments or ministries?

A. The CFSP has information on the actual half-year expenditure performance by all the
sectors/departments or ministries.

B. The CFSP has information on the actual half-year expenditure performance by some but not all the sectors/departments or ministries.

C. The CFSP has information on the overall total actual half-year expenditure performance only but not disaggregated by the sectors/departments or ministries.

D. The CFSP has none of the above information.

**Guideline:** Question 27 asks whether the CFSP presents the implementation information for the first-half year actual expenditure performance at the department/sectoral or ministry level.

To answer “A,” the CFSP must provide actual half-year expenditure for each of the departments/sectors or ministries. To answer “B,” the CFSP must provide actual half-year expenditure in some but not none of the departments/sectors or ministries. To answer “C,” the CFSP should have actual half-year expenditure information at an overall level but no information on sectors/departments or ministries.

**Source of the Question:** County PFM Regulations 2015 27 (1) (a) (ii), (iii) “the fiscal framework in the County Fiscal Strategy Paper shall contain (a) updated forecasts expressed in Kenya shillings for the current budget year and three further years and actual results for the previous budget years for the consolidated county government budgets for (ii) level of budgetary expenditures by economic and functional classifications; (iii) capital expenditures. Also, the PFM Act 2012 117 (4) has information on expenditure.

28. Does the current County Fiscal Strategy Paper present expenditure targets either for the half-year or annual estimates in comparison to what is provided in question 27?

A. Yes
B. No

**Guideline:** Question 28 asks whether the CFSP has presented the targets for that half-year or the full year compared to the actual performance information in Question 27. These targets may be the half-year targets or the full-year estimates.

This question is an extension of question 27, meaning it should cover all the departments/sectors or ministries covered in question 27. To choose option “A,” the CFSP must provide either half-year targets or the annual estimates for the year compared to what is provided in question 27.

**Source of the Question:** County PFM Regulations 2015 27 (1) (a) (ii), (iii) “the fiscal framework in the County Fiscal Strategy Paper shall contain (a) updated forecasts expressed in Kenya shillings for the current budget year and three further years and actual results for the previous budget years for the consolidated county government budgets for (ii) level of budgetary expenditures by economic and functional classifications; (iii) capital expenditures.
economic and functional classifications; (iii) capital expenditures. Also, the PFM Act 2012 117 (4) has information on expenditure.

**Priorities and Sector Ceilings**

Priorities should put forward the main areas of expenditure focus in the coming years. The County's priorities at sector/ministries/departments and programme level should be stated on the CFSP and detailed information on how the current priorities differ from last year's priorities. The County Treasury should specify the broad strategic priorities and policy goals that guide the county government in preparing its budget for the coming year and over the medium term. On performance, whether the priorities are reflected in the numbers provided in the ceilings. In this section, the questionnaire assesses the following three key questions:

29. **Does the CFSP present information on priorities for the coming budget year with the narrative justifications on why those priorities?**

   A. The CFSP has information on priorities for the coming budget year with their justifications.
   B. The CFSP has information on priorities for the coming budget year but has no information on justifications.
   C. The CFSP has none of the above information.

**Guideline:** Question 29 asks whether the CFSP has provided information on the expenditure priorities set out by the county for the coming financial year. This question further assesses the justification for why the county sets/picked those priorities.

To answer “A” in this question, the CFSP document must have narrative information on expenditure priorities for the coming budget year and has further justified/explained why counties picked those priorities. To answer “B,” the CFSP should have information on priorities for the coming budget year but lacks any further narrative explanation that justifies why the county has those priorities in place.

**Source of the Question:** County PFM Regulations 2015 32 (1) (e) “the budget ceiling contained in the CFSP shall take into account expenditure priorities as set out in county government policies.” And the PFM Act 2012 117 (3) “In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that guide the county government in preparing its budget for the coming financial year and over the medium term.”

30. **Does the CFSP present budget ceilings for the coming budget years at the sector/...**

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**Budget ceilings** - the maximum amount that the county government allocates in a given year to target sector or expenditure category. See definitions section.
### departmental level?

A. The CFSP presents budget ceilings for the coming budget year by sectors/departments.
B. The CFSP presents the overall total budget ceilings for the coming budget year.
C. The CFSP has none of the above information.

**Guideline:** Question 30 asks whether the CFSP presents budget ceilings for the coming year, which should be broken down by department/sectors or ministries.

To answer “A,” the CFSP must provide the departmental/sectoral budget ceilings for the coming budget year for each of the departments/sectors or ministries. To answer “B,” the CFSP has provided the overall budget for the coming year.

**Source of the Question:** County PFM Regulations 2015 32 (1) (d) “the budget ceiling contained in the CFSP shall take into account breakdown of the overall expenditure into recurrent and development by sector ceilings.”

**Budget ceilings:** the maximum amount that the county government allocates to the target sector or expenditure category in a given year.

### 31. Does the CFSP have budget ceilings classified into recurrent and development expenditure?

A. Yes  
B. No

**Guideline:** Question 31 asks whether the CFSP presents the expenditure ceilings classified into recurrent and development for the coming years. This question is an extension of question 30 and only evaluates the breakdown of recurrent and development components.

To answer “A,” the CFSP must provide the recurrent and development budget ceilings for the coming budget year by the departments/sectors or ministries.

**Source of the Question:** County PFM Regulations 2015 32 (1) (d) “the budget ceiling contained in the CFSP shall take into account breakdown of the overall expenditure into recurrent and development by sector ceilings.”

**Budget ceilings:** the maximum amount that the county government allocates to the target sector or expenditure category in a given year.

### Fiscal Policies/Responsibility

Counties are required to adhere to the fiscal responsibility principles provided in the PFM Act and Regulations. The CFSP should, therefore, strengthen this by providing their proposed
expenditure compliance in recurrent development and personnel emoluments to be incurred in the upcoming two budget years and linking this to the fiscal responsibility limits.¹⁷

32. Does the current CFSP provide a section with an explanation (statement) of the county’s compliance with fiscal responsibility principles?
   A. The CFSP has linked its expenditure projections compliance with all the three fiscal rules below (see the guideline).
   B. The CFSP has linked its expenditure projections compliance with two of three fiscal rules below (see the guideline).
   C. The CFSP has linked its expenditure projections compliance with one of three fiscal rules below (see the guideline).
   D. The CFSP has none of the above information.

**Guideline:** Question 32 asks whether the CFSP has a section that provides information on how the county adheres to the fiscal responsibility principles provided in the PFM Act. In this question, the following three fiscal rules should be indicated in the CFSP on whether County’s projections/ceilings adhere to:

1. The county government’s recurrent projections shall not exceed the county government’s total revenue,
2. Over the medium term, the county government’s development expenditure allocation shall be at least thirty percent of the county government’s budget, and
3. The county government’s expenditure on wages and benefits for its public officers shall not exceed thirty-five percent of the county government’s total revenue.

To answer “A,” the CFSP should have a section with a statement for all the three fiscal responsibilities linked to the coming two years' projections over the Medium-Term. To answer “B,” the CFSP should have a section with a statement for the two of three fiscal responsibilities linked to the coming two years' projections, and to choose option “C,” the CFSP should have a section with one of the three fiscal rules.

**Source of the Question:** County PFM Regulations 2015 26 (1) (e) & (6): CFSP shall contain in 26 (1) (e) “a statement of financial responsibility principles, as specified in the Act and these Regulations indicating whether the fiscal strategy adheres to these principles.”

**Public Participation**

In preparation for the CFSP, the County Treasury should conduct a meaningful public engagement and consult stakeholders in seeking their views/inputs.

¹⁷ The PFM Regulations 2015 26(1), (e) reads, a statement of financial responsibility principles, as specified in the Act and these regulations indicating whether the fiscal strategy adheres to these principles.
In this section, the questionnaire evaluates the following two key questions, one on the priorities that came from public engagement. It further has a question that assesses the availability of the information on what decisions the inputs from the public informed.
33. Does the County Fiscal Strategy Paper provide a section on public participation with details on the priorities submitted from the public, who was involved, and at what level (sub-county, ward, or village) it was conducted?

A. The CFSP has provided the public participation section with information on all the following: the priorities/inputs submitted from the public, who was involved, and the level it was conducted.

B. The CFSP has provided the public participation section with information on the priorities/inputs submitted from the public and either who was involved or the level it was conducted.

C. The CFSP has provided the public participation section with information on the priorities/inputs submitted from the public only.

D. The CFSP has none of the above information.

Guideline: Question 33 asks whether the CFSP has provided the section on public participation, which should have three key sets of information: the priorities/inputs submitted from the public, who was involved, and the level it was conducted. Regarding this section, which could be annexed or within the CFSP document, information on priorities submitted by the public should be provided.

To answer “A,” a County Fiscal Strategy Paper should provide a public participation section within the document or annexure with all the three key sets of information: priorities/inputs that were raised by the public/in public participation, who was involved (the disaggregation of the participants), the level where the public was engaged, i.e., at the village, ward, or sub-county levels. To answer “B,” a County Fiscal Strategy Paper must provide information on the priorities/inputs that were raised by the public/in public participation with any other one information chosen from the two remaining components: who was involved (the disaggregation of the participants), the level where the public was engaged, i.e., at village, ward, or sub-county levels. Answer “C” where County Fiscal Strategy Paper has information on the priorities/inputs raised by the public/in public participation only. Where a county lacks the first key information on priorities/inputs raised by the public/public participation, then the information on Public Participation is assumed not to have been provided by the County.

Source of the Question: PFM Act 2012 117 (5) “ In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of the Commission on Revenue Allocation, the public, any interested persons or groups; and any other forum that is established by legislation.”
34. Does the County Fiscal Strategy Paper have a section with information on how public input was utilized and what decisions it informed?

A. The CFSP has a section with information on how citizens' feedback was incorporated into the final CFSP document and how those inputs informed the County’s decisions.

B. The CFSP has a section with the information on how citizens' feedback was incorporated into the final CFSP document but no information on how those inputs informed the County’s decisions.

C. The CFSP has none of the above information.

Guideline: Question 34 asks whether the CFSP provides details of how input from the public was incorporated as the priorities that were selected. The CFSP should justify inputs incorporation to the document and how those inputs have shaped the final CFSP document. The CFSP should also justify citizens' contributions that were never incorporated into the final document and the decisions/priorities it informed.

To choose option “A,” the CFSP should give a section containing the information incorporated in the CFSP and the kind of decisions that it informed. To choose option “B,” the CFSP should have information on the information incorporated into the final CFSP but does not have any information on how what decisions it informed.

CFSP Alignment to National Objectives

The CFSP strategies or priorities should be aligned with the national priorities as captured in the Budget Policy Statement. This may include economic indicators that may directly impact county revenue and expenditure projections, such as inflation and interest rates. Besides, this may relate to conditional grants from the national government for specific sectors that should be considered during allocations in the county documents.

35. Does the CFSP have a section on macroeconomic assumptions and priorities aligned to the national objectives provided in the Budget Policy Statement?

A. The CFSP gives a section with information on how a county linked the macroeconomic assumption elements and priorities in their budget to the national objectives.

B. The CFSP gives a section with information on how a county linked the macroeconomic assumption elements or priorities in their budget to the national objectives.

C. The CFSP has none of the above information.

Guideline: Question 35 asks whether the CFSP has provided information on how its macroeconomic assumptions, strategies and priorities should be aligned with the national priorities as captured in the Budget Policy Statement.
To answer “A” in question 46, the CFSP should have a section with information on how the macroeconomic assumptions such as inflation rate, GDP growth and interest rates are aligned with the county budget also; the CFSP should have information on how the CFSP is aligned to national priorities such as Universal Health Care. To answer “B,” a section with information on either the macroeconomic assumptions or priorities, as mentioned in option “A,” is provided in the CFSP.

**Source of the Question:** PFM Act 2012 117 (2) “the County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement” and County PFM Regulations 2015 26 (1) (a) (b) (c) (d).
**PROGRAMME-BASED BUDGET**

Program-Based Budgets are an improvement from previous line-item budgets as they make better connections between budget inputs such as salaries and medicines and the expected outcomes of spending on such inputs. This allows citizens and oversight institutions to track budget implementation beyond the financial allocations and expenditure to what should be achieved by the expenditure. The programme and sub-programme level structure of these budgets means that Programme-Based Budgets have more comprehensive information compared to other budget documents.\(^{18}\)\(^{19}\)\(^{20}\)

The Programme-Based Budget should have expenditure information provided at the administrative classification that identifies the entities responsible for collecting and spending the county’s public resources. In counties, Sectors/ Departments or Ministries are used interchangeably, and, in this questionnaire, it has been used to refer to the administrative level or the entity responsible for spending the money.

The economic classification is the second type of expenditure that identifies what money was spent on, for example, economic categories such as salaries, goods and services/operations and maintenance, transfers, interest payments, and capital spending.

Lastly, functional classification presents the allocation of resources to a set of standardized functions. In this questionnaire, the functional has been used to refer to the programme and sub-programme levels that provide information on the allocation of resources to assess the extent to which public spending achieves its various goals and objectives. A program comprises a set of activities designed to achieve a policy objective (e.g., a vaccination program or universal primary education).\(^{21}\)

In this questionnaire, the Programme-Based Budgets assesses the following key details:

**Revenue Mobilization**

The Programme-Based Budget provides information on how a county plan to raise or expect funds from. [Part VI Section 58 (1) of the County PFM Act regulations 2015](#) provides information on the format of the revenue estimates that includes: the description of the source of revenue in terms of head code, estimated revenues amounts and their nature showing the revenue items. Reporting the information on revenue information should further cover actual revenue for two previous financial years, coming financial year revenue estimates and the projected revenue estimates for the next two outer years.

In this section of the questionnaire, the following three key questions are evaluated:

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\(^{18}\) The PFM Regulations 2015 30 (1) (c) provides that a budget proposal shall be submitted in the prescribed formats that support program-based budgeting and classifications of expenditure in economic classes.

\(^{19}\) The primary goal of using Programme-Based Budgeting is to change the way that people use the budgets i.e., from a focus on accounting for money to an emphasis on accountability for service delivery. More so, by presenting information on outputs and service delivery objectives, citizens and oversight bodies can review the budget according to what is most important.

\(^{20}\) Find More in the PFM Regulations 2015 under Budget guidelines during formulation and approval.

\(^{21}\) Please Read [Fiscal transparency handbook 2018](#)
36. Does the Programme-Based Budget present information on revenue estimates for the coming budget year by source?

A. The Programme-Based Budget has provided information on revenue estimates for the coming financial year broken down by three major sources.
B. The Programme-Based Budget has provided information on revenue estimates for the coming financial year broken down by two of the three major sources.
C. The Programme-Based Budget has provided information on revenue estimates for the coming financial year broken down by one of the three major sources.
D. The Programme-Based Budget has none of the above information.

Guidance: Question 36 asks whether the PBB has information on revenue for the coming financial year classified into the three major individual sources: equitable share, local/own source revenue and conditional grants and presented in the form of table or narratives.

To answer “A” in this question, the Programme-Based Budget must have all the three major sources of revenue equitable share, local revenue, and conditional grants with the coming year revenue figures. To answer “B” in this question, PBB must have coming year revenue figures for the breakdown of revenue sources to any two of the three major sources provided in option “A.” To answer “C,” the Programme-Based Budget should only give one of the three major revenue sources provided in “A” for the coming budget year.

Source of the Question: Constitution of Kenya 2010 220(1)(a) and County PFM Regulations/Subsidiary Legislations 2015 Part VI 58 (1)
37. Does the Programme-Based Budget present historical revenue performance for at least two past years by source?

A. The Programme-Based Budget has at least two past financial years’ revenue performance by all three revenue sources.
B. The Programme-Based Budget has at least two past financial years’ revenue performance by two of the three revenue sources.
C. The Programme-Based Budget has at least two past financial years’ revenue performance by one of the three revenue sources.
D. The Programme-Based Budget has none of the above information.

**Guidance:** Question 37 asks whether the revenue information presented has information for all three major sources: equitable share, own source/local revenue, and conditional grants to at least two past financial years.

To answer “A,” the Programme-Based Budget should have two past years of historical information covering all the three individual sources of revenues. To answer “B,” the Programme-Based Budget should provide the breakdown of two of three sources with at least two years past actual revenue performance, and answer “C,” the Programme-Based Budget should only give one of the three major revenue sources provide in “A” with their actual revenue performance in the past two years.

**Source of the Question:** County PFM Regulations/Subsidiary Legislation 2015 58(2) which states “the estimates of revenue shall include the actual revenue for the two previous financial years (N-2), (N-1), the current financial year revenue estimates (N), and the projected revenue estimates for the next two outer years (N+1) and (N+2)”.

38. Does the Programme-Based Budget present at least two other outer financial year revenue projections by source?

A. The Programme-Based Budget has at least the next two outer financial years’ revenue projections broken down by all three revenue sources.
B. The Programme-Based Budget has at least the next two outer financial years’ revenue projections broken down by two of the three revenue sources.
C. The Programme-Based Budget has at least the next two outer financial years’ revenue projections broken down by one of the three revenue sources.
D. The Programme-Based Budget has none of the above information.

Guidance: Question 38 asks whether the revenue information presented has all three major sources: equitable share, own source/local revenue, and conditional grants with projections for the next two outer budget years. The Two outer years mean the budget information should be provided for the two years beyond the proposed/coming budget year estimates.

To answer “A,” the Programmes Based Budget should have two outer year revenue projections to all the three individual sources of revenues. To answer “B,” the Programmes Based Budget should provide the breakdown of two of three sources with at least two upcoming budget years revenue projections, and answer “C,” the Programme-Based Budget should only give one of the three major revenue sources provide in “A” with their projections in the upcoming two years.

Source of the Question: County PFM Regulations/Subsidiary Legislation 2015 58(2) which states “the estimates of revenue shall include the actual revenue for the two previous financial years (N-2), (N-1), the current financial year revenue estimates (N), and the projected revenue estimates for the next two outer years (N+1) and (N+2)."
39. Does the Program-Based Budget present the expected local/own source revenue collections for the coming financial year by individual streams/components?

A. Yes
B. No

Guidance: Question 39 asks whether the PBB has provided information on its source/local revenue for the coming financial year. This information should be broken down into individual revenue sources, which may include Property related revenue, administrative fees & Charges, Business permits, Vehicle Parking fees, Natural Resources, exploitation & Conservancy, Public Health Services, Markets, trade licenses & slaughterhouses, Cess, Water & Sewage Services, All other revenue. The PBB may present the information in the form of tables, bar graphs or even clear narratives presenting the coming financial year local revenue.

To answer “A” in this question, the Programme-Based Budget must have the breakdown of local revenue to the individual revenue sources/streams with their target figures for the coming year. Answer “B,” where the Programme-Based Budget has no breakdown to individual sources.

How much money does my county say it will raise from its own taxes and fees, and is that reasonable? Source of the Question: Constitution of Kenya 2010 220(1)(a) and County PFM Regulations/Subsidiary Legislations 2015 Part VI 58 (1) which states “the estimates of revenue shall include the actual revenue for the two previous financial years (N-2), (N-1), the current financial year revenue estimates (N), and the projected revenue estimates for the next two outer years (N+1) and (N+2)”.

Priorities

The Programme-Based Budget should provide a section with the overall priority description; then, they should have a narrative at the beginning of each department. The prioritized areas of the budget, i.e., sectors that have received the most budget compared to the previous year’s allocation. This can be identified by comparing the coming budget under implementation to the previous year’s budget of the same county. The PFM regulations 2015 31(f) provides that “budget estimates shall take into account expenditure priorities, which contributed to the realization of the required output and desired policy outcome.”
### 40. Does the PBB indicate the priorities that are directly linked to development plans?

A. Yes  
B. No

**Guidance:** Question 40 asks whether the PBB presents information to explain how its priorities are linked to the County Integrated Development Plan and Annual Development Plans. The Programme-Based Budget should indicate that information. The information may be provided in narrative sections in the budget summary, department narrative section or the details on individual capital projects.

To answer “A,” the PBB should mention/indicate how their priorities for the coming year are borrowed or linked to the priorities previously provided in the CIDP or ADP.

**Source of the Question:** County PFM Regulations 2015 (31) (f).

### Expenditure Estimates

The county’s Programme-Based Budget should provide information on budget allocations, *i.e.*, according to three classifications: **administrative, economic, and functional.** This means the Programme-Based Budget has more comprehensive information on the expenditure section that spans major spending classifications like programmes and sub-programmes up to smaller expenditure sub-units, i.e., further disaggregation of expenditures on operations and maintenance, personnel emoluments etc.

### 41. Does the Programme Based Budget provide the coming year’s budget allocation summary at the departmental/sectoral/ministry level?

A. Yes  
B. No

**Guidance:** Question 41 asks whether the PBB has provided a budget allocation for the coming budget year to each county department/sector or ministry.

To Answer “A” in this question, the Programme-Based Budget should have the total budget allocation for each department/sector or ministry for the coming year in the form of a table.

**Source of the Question:** PFM Act 2012 130(1)(b)(v) provides that Budget estimates shall include all estimated expenditure, by vote and by a programme, clearly identifying both recurrent and development expenditures.
42. Does the Programme-Based Budget give recurrent and development budget allocations by departments/ sectors or ministries for the coming budget year?

A. The PBB presents budget allocations for the coming financial year classified to recurrent and development for each of the departments/ sectors or ministries.

B. The PBB presents budget allocations for the coming financial year classified to recurrent and development by some but not all the departments/ sectors or ministries.

C. The PBB presents overall budget allocations for the coming financial year classified to recurrent and development but not by departments/ sectors or ministries.

D. The PBB has none of the above information.

**Guidance:** Question 42 asks whether the PBB has provided a budget allocation classified to recurrent and development to individual county departments/ sectors/ministries.

To answer “A” in this question, the Programme-Based Budget must have a breakdown of recurrent and development figures for the coming year and across all the departments/ sectors or ministries. To Answer “B” in this question, the PBB must have a breakdown of recurrent and development figures for the coming year in some departments/ sectors/ ministries but not none or all. To Answer “C” in this question, the Programme-Based Budget must break down the overall coming year budget allocation classified to recurrent and development. In option “C,” there are no departments or sectors or ministries.

**Source of the Question:** PFM Act 2012 130(1)(b)(v) provides that Budget estimates shall include all estimated expenditures, by vote and by the programme, clearly identifying both recurrent and development expenditures.
43. Does the Programme-Based Budget present information on the coming year’s budget allocation on the recurrent expenditure broken down by compensation to employees and operations & maintenance for each department/ sector or ministry?

A. The PBB has information on the coming year budget allocations for the breakdown of recurrent budget to compensation to employees/ personnel emoluments and operations & maintenance/ goods & services for each department/ sector or ministry.

B. The PBB has information on the coming year budget allocations for the breakdown of the recurrent budget to compensation to employees/ personnel emoluments and operations & maintenance/ goods & services in some but not all the departments/ sectors or ministries.

C. The PBB presents information on the overall allocations for the coming financial year on the breakdown of recurrent budget to compensation to employees/ personnel emoluments and operations & maintenance/ goods & services but not by departments/ sectors or ministries.

D. The Programme-Based Budget has none of the above information.

**Guideline:** Question 43 asks whether the PBB has presented the recurrent budget estimates for the coming year broken down to its components. The recurrent expenditure includes compensation to employees/ personnel emoluments and operations & maintenance/ goods & services to each department/ sector/ ministry. This information may be provided in the form of a table or narratives.

To answer “A” in this question, the Programme-Based Budget must have a recurrent breakdown with allocations for the coming year budget for both compensations to employees/ personnel emoluments and operations & maintenance/ goods & services across all the departments/ sectors/ ministries. To answer “B” in this question, the Programme-Based Budget must have the information in “A” in some sectors/ departments or ministries. To answer “C” in this question, the Programme-Based Budget must give the overall coming year budget allocation to break down the recurrent budget to two components mentioned in option “A” but has no information on departments/ sectors or ministries.

Researchers should note that counties use operations and maintenance interchangeably with the use of goods and services. Also, personnel emoluments/ compensation to employees/ salaries are always used similarly in county budget documents and thus apply in answering the questions in this questionnaire.

**Source of the Question:** County PFM Regulations 2015 30 (1) (c) “budget proposals shall be submitted in the prescribed formats that support Program-Based Budgeting and classification of expenditure in economic classes.” expenditures in economic classification are classified as follows: compensation to employees, use of goods and services, transfer to other levels of governments and capital expenditure in County PFM Act Regulations 2015 54 (2) (b). In question 44, compensation to employees and the use of goods and services are assessed.
Compensation to Employees/County Personnel Costs:

Staff wages and benefits form the largest components of county budget spending. Therefore, counties should provide further information on who is being paid and how much counties spend on personnel costs for both County Executive and Assembly, including salaries, wages, benefits, and allowances. It guides on compliance in PFM Act regulations 2015 25(1)(a) (b) & (f). This category includes all coming personnel-related payments to government employees—both salaries and wages, and social contributions. Social contributions are government-funded service benefits for employees, such as pension or medical scheme contributions.

44. Does the Programme-Based Budget provide information on personnel numbers, designation, and costs details at sectors/departments/ministries?

   A. The Programme-Based Budget has presented both the number of staff/employees with their designation and staff costs for each department/sector or ministry.
   
   B. The Programme-Based Budget has presented the number of staff/employees with their designation and staff costs in some but not all departments/sectors or ministries.
   
   C. The Programme-Based Budget has none of the above information.

Guideline: Question 44 asks whether the Programme Based Budget has provided information on the number of staff/employees by designation and staff costs (salaries, wages, and benefits) at the departmental/sector or ministry level.

Researchers should ensure the information on personnel costs is provided in all the sectors/departments or ministries. To answer “A,” the Programme-Based Budget must provide both the staff with their designation and their costs for each department/sector or ministry. To answer “B” where information in option “A” does not cover all the departments/sectors or ministries. Choose ‘C’ where the county has not presented any information in ‘A’.

Expenditure at Programme and Sub-Programme Level

The Programme-Based Budget should have information on what allocated funds are spent on. Here, the programmatic objectives, i.e., the purpose for which the money allocated is utilized, i.e., health services, education services, etc., at the programme level and even goes below it, because programmes might be large and understanding their allocation and objectives may require further breakdown into sub-programmes.

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The county governments expenditure on wages and benefits for its public officers shall not exceed 35% of the county’s total revenue.
45. Does the Program Based Budget have information on the coming-year budget allocation disaggregated below and by departments/sectors or ministries?

A. The Programme-Based Budget has presented the coming year’s budget allocation disaggregated below and in each of the departments/sectors or ministries.

B. The Programme-Based Budget has presented the coming year’s budget allocation disaggregated below and to some but not all the departments/sectors or ministries.

C. The Programme-Based Budget has none of the above information.

Guideline: Question 45 asks whether the PBB has provided details on allocations to the disaggregation below departments/sectors for the coming budget year. The disaggregation below the departments/sectors required in this question are the programmes and sub-programmes which should be provided across all the county’s sectors/departments or ministries. If a County provides this information at the programme level and no sub-programmes, the County meets the criteria of this question.

Question 45 requires the counties to present budget allocation across all the programmes and sub-programmes within sectors/departments or ministries. To answer “A,” the Programme-Based Budget should have this information across all the departments/sectors or ministries, and to answer “B,” the Programme-Based Budget should have in some departments/sectors or ministries but not all.

Source of the Question: The PFM Act 2012 130(1)(b)(v) provides that all estimated expenditures, by vote and by the programme, clearly identify both recurrent and development expenditures. Also, the estimates of expenditure means (a) estimates of expenditure based on programmes and sub-programmes prepared on a three-fiscal year rolling basis, specifying the resources to be allocated and the outcomes to be achieved and outputs to be delivered, the estimates for the first year of every such period of three fiscal years requiring appropriation by the County Assembly.
46. Does the Programme Based Budget give expenditure projections by at least two upcoming budget years for questions 41, 42 and 43?

A. The PBB presents at least two two-year projected expenditure estimates for all three questions 41, 42 and 43.

B. The PBB presents at least two two-year projected expenditure estimates for any two of the three questions 41, 42 and 43.

C. The PBB presents at least two two-year projected expenditure estimates for any one of the three questions 41, 42 and 43.

D. The PBB has none of the above information

**Guidance:** Question 46 asks whether the Programme-Based Budget has provided expenditure projections for at least two upcoming budget years in comparison with the information, i.e., tables presented in questions 41, 42 and 43. This is in line with the Medium-Term Expenditure Framework (MTEF) used to prepare Kenya budgets.

The Researcher chooses ‘A’ where projected expenditure estimates for two outer years are provided at departmental/sectoral or ministerial level, the disaggregation by recurrent and development and disaggregation of recurrent budget to operations and maintenance and the compensation to employees, i.e., for all the three questions 41, 42 and 43, please refer. Choose option “B” where any two are provided and pick option ‘C’ in cases where one of the three questions meets the requirements of the explanation of the option ‘A.’ D is chosen where none of what is provided in option ‘A’ is met.

**Source of the Question:** County PFM Regulations 2015 27 (1) (a) (1) -updated forecasts expressed in Kenya shillings for the … three further years … for the consolidated county government budgets.
47. Does the Programme Based Budget give actual historical expenditure performance by at least two past financial years for questions 41, 42 and 43?

A. The PBB presents at least two two-year historical actual expenditure performances for all three questions 41, 42 and 43.
B. The PBB presents at least two two-year historical actual expenditure performances for any two of the three questions 41, 42 and 43.
C. The PBB presents at least two two-year historical actual expenditure performances for any one of the three questions 41, 42 and 43.
D. The PBB has none of the above information.

Guidance: Question 47 asks whether the Programme-Based Budget has provided historical actual expenditure performance for at least two past financial years in comparison with the information, i.e., tables presented in questions 41, 42 and 43. This is in line with the Medium-Term Expenditure Framework (MTEF) used to prepare Kenya budgets.

The Researcher chooses ‘A’ where two or more years of the historical expenditure performance are provided at departmental/sectoral or ministerial level, the disaggregation by recurrent and development and disaggregation of recurrent budget to operations and maintenance and the compensation to employees, i.e., for all the three questions 41, 42 and 43; please refer. Choose option “B” where for any two are provided and pick option ‘C’ in cases where one of the three questions meets the requirements of the explanation of the option ‘A.’ D is chosen where none of what is provided in option ‘A’ is met.

Non-Financial Data/ Information

To monitor the implementation of programmes and sub-programmes, non-financial data indicators, inputs, and targets should be provided in the Programme-Based Budget. The budget should disclose not only the amount of money that is being allocated to a program but also any information needed to analyze that expenditure. Non-financial data and performance targets associated with budget proposals are used to assess the success of a given policy. The performance targets must use non-financial data for outputs and outcomes to determine if these targets have been met.²³

48. Does a Programme-Based Budget provide indicators, baselines, and targets for each Sub-Programme within a Programme for the coming budget year by sectors/ departments or ministries?

A. The PBB has all the following non-financial details on indicators, baselines, and targets for each sub-programme under each programme by departments/ sectors or ministries.

B. The PBB has all the following non-financial details on indicators, baselines, and targets linked to each programme by departments/ sectors, or The PBB has all the following non-financial information details on indicators, baselines, and targets for each sub-programme under each programme in some but not to each department/ sector or ministry.

C. The PBB has all the following non-financial details on indicators, baselines, and targets linked to each programme by some but not to all the departments/ sectors

D. The PBB has none of the above information.

Guideline: Question 48 asks whether the PBB has provided information on what the programmes and sub-programmes should achieve for the coming year. This should be provided in the form of indicators and targets linked to specific programmes and sub-programmes. Non-financial performance indicators and targets, representing the planned spending objectives, are presented in the budget, and linked to spending programmes.

To answer this question, the Programme-Based Budget must have all three components of non-financial information: indicators, baselines, and next year’s targets. To answer “A,” the PBB should have this information in sub-programmes under each programme across all the departments/ sectors or ministries. To choose option “B” where the PBB has given the three non-financial information components under each programme and not at sub-programme in all the departments/ sectors or ministries or where the PBB has the three components for sub-programmes under programmes but in some but not all the sectors, departments, or ministries. To answer “C,” the PBB should present non-financial information linked to some programmes under some departments/sectors or ministries.

Source of the Question: Estimates of expenditure means: (a) estimates of expenditure based on programmes and sub-programmes prepared on a three-fiscal year rolling basis, specifying the resources to be allocated and the outcomes to be achieved and outputs to be delivered, the estimates for the first year of every such period of three fiscal years requiring appropriation by the County Assembly.

PFM Act 2012 104 “no public funds shall be appropriated outside planning framework” and the PFM Act Regulations 2015 129 (1) on Monitoring and Reporting gives a framework for monitoring and reporting non-financial performance.

The PFM Act 2012 126 1 (c) Information on Capital Projects
Capital projects form a key proportion of county budgets and are also a significant focus during Public Participation. Besides, they are a good indicator of how the county budget distributes government investments in line with the needs of different areas within a county. Therefore, the Programme-Based Budget should provide details such as allocations, project locations, and so on.

24 Programmes to be delivered with details for each programme of the strategic priorities to which the programme will contribute; the services or goods to be provided; measurable indicators of performance where feasible; and the budget allocated to the programme.
49. Does the Programme-Based Budget provide information with the details for each capital project?

A. The PBB has provided all the following details on the capital project: specific location (i.e., sub-county or ward), proposed allocation, status (i.e., new, or on-going) and the implementation time frame (start - end) for each capital project.

B. The PBB has provided the specific location (i.e., sub-county or ward) and proposed allocation and either the status (i.e., new, or ongoing) or the implementation time frame (start - end) for each capital project.

C. The PBB has provided the specific location (i.e., sub-county or ward) and proposed allocation for each capital project.

D. The PBB has none of the above information.

Guideline: Question 49 asks whether the PBB has the following details for each of the capital projects presented: specific location (i.e., sub-county or ward), proposed allocation, status (i.e., new, or ongoing) and the implementation time frame (start - end) for each capital project.

Researchers should note that in this question, specific location (i.e., sub-county or ward) and proposed allocation for each capital project must be presented in the Programme-Based Budget.

To answer “A,” each capital project should have a specific location (i.e., sub-county or ward), proposed allocation, status (i.e., new, or on-going) and the implementation time frame (start - end) for each capital project for each of the sectors/ departments/ ministries. To answer “B,” each capital project should have a specific location (i.e., sub-county or ward), proposed allocation and either status (i.e., new, or on-going) or the implementation time frame (start - end) for each capital project for each of the sectors/ departments/ ministries. Answer “C” where the PBB has only the specific location (i.e., sub-county or ward) and proposed allocation for each capital project provided in each of the departments/ sectors, or if it is annexed, completeness and consistency of the information should be checked.

When choosing an option for this question, researchers should go through all the county's departments/ sectors or ministries to check on the availability of information on the capital projects and the details asked in the question.

Source of the Question: PFM Regulations 129 (1)

Public Participation

County Governments are required to facilitate Public Participation in fostering county decision-making involvements. The programme-Based Budget should present the views collected from the public and how those inputs have shaped the Approved Budget Estimates. The justification should also be provided in all cases where public input was used and not used. In this section, Programme-Based Budget evaluates two questions:
50. Does the Programme-Based Budget provide a section with information on public participation with details on the priorities submitted from the public, who was involved, at what level (sub-county, ward, or village) it was conducted?

A. The PBB has provided the public participation section with information on all the following: the priorities/inputs submitted from the public, who was involved, and the level it was conducted.

B. The PBB has provided the public participation section with information on the priorities/inputs submitted from the public and either who was involved or the level it was conducted.

C. The PBB has provided the public participation section with information on the priorities/inputs submitted from the public only.

D. The PBB has none of the above information.

**Guideline:** Question 50 asks whether the Programme-Based Budget has provided the section on the public participation, which should have three key sets of information: the priorities/inputs submitted from the public, who was involved, and the level it was conducted. The section could be captured within the document or annexed. Researchers should note that where a county lacks the first key information on priorities/inputs raised by the public/public participation, then the information on Public Participation is assumed not to have been provided by the County Budget Document.

To answer “A,” a Programme-Based Budget should provide a public participation section within the document or annexure with all the three key sets of information: priorities/inputs that were raised by the public/in public participation, who was involved (the disaggregation of the participants), the level where the public was engaged, i.e., at the village, ward, or sub-county levels. To answer “B,” a Programme-Based Budget must provide information on the priorities/inputs that were raised by the public/in public participation with any other one information chosen from the two remaining components: who was involved (the disaggregation of the participants), the level where the public was engaged, i.e., at village, ward, or sub-county levels. Answer “C” where Programme-Based Budget has information on the priorities/inputs raised by the public/in public participation only.

**Source of the Question:** County PFM Regulations 6(2) states, “the County Treasuries shall arrange for effective public participation during the development of their annual budget estimates including the publication of citizens’ budgets which shall explain and summarize the budget proposals.”

51. Does the Programme-Based Budget give a section with information on how public input was utilized and what decisions it informed?
A. The PBB has a section with information on how citizens' feedback was incorporated and how those inputs informed the County's decisions.

B. The PBB has a section with information on how citizens' feedback was incorporated in PBB but no information on how those inputs informed the County's decisions.

C. The PBB has none of the above information.

Guideline: Question 51 asks whether the PBB provides details on how input from the public was incorporated as the priorities that were selected. The CFSP should justify inputs incorporation to the document and how those inputs have shaped the final Programme-Based Budget document. The Programme-Based Budget should also justify citizens' contributions that were never incorporated into the final document and the decisions/priorities it informed.

To choose option “A,” the PBB should give a section containing the information incorporated in the PBB and the kind of decisions that it informed. To choose option “B,” the PBB should have information on what was incorporated into the final PBB document but does not have any information on what decisions it informed.
A Citizens’ Budget is a simplified version of a detailed budget prepared to help citizens understand budget priorities and decisions in formats easily accessible to the public. This is meant to help citizens engage with their county budgets during public participation to promote accountability and transparency.

The Public Finance Management Act 2012 section 131 (6) and County’s PFM regulations 2015 6(2) require a simplified and summarized version of budget estimates published by counties. It is a less technical and brief budget document written in accessible language and incorporating visuals; it is user-friendly to non-technical audiences. The Citizens Budgets can also be produced for other budget documents, but in this survey, we are inclined to a Mwananchi Budget for either proposed or approved budget, and it should have the following key questions.

The major references on the Citizens Budget are Guidelines for the preparation of the Mwananchi Budget.

Disclaimer: It is important to highlight that a Citizens Budget is a summarized version of the Budget Estimates as required by the law/ Approved Programme Based Budget according to the Guidelines issued to counties by the Council of Governors. In cases where counties have re-name the full budget estimates as a citizen’s versions, then the survey assumes not to be publicly available since the Citizens Budget should be in a simplified form without jargon.

Revenue Information
The Citizens Budget should provide details on how the government plans to acquire resources to fund their services and perform other duties. The Citizen’s Budget role in this aspect helps citizens understand how money is raised from the available sources.

52. Does the Citizens Budget present information on the estimates for intergovernmental transfers for the coming year?
   A. The Citizens Budget presents coming year targets for equitable share/ national transfers to county and conditional grants from national government and development partners.
   B. The Citizens Budget presents coming year targets for either equitable share/ national transfer to county or conditional grants from national government and development partners.
   C. The Citizens' Budget has none of the above information.

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25 Read more in Tanzania citizens version
26 The County Executive Committee member for finance shall take all reasonably practicable steps to ensure that the approved budget estimates are prepared and published in a form that is clear and easily understood by, and readily accessible to, members of the public.
27 The County Treasuries shall arrange for effective public participation during the development of their annual budget estimates including the publication of citizens’ budgets which shall explain and summarize the budget proposals.
28 Guidelines for the preparation of the Mwananchi Budget by Council of Governors.
29 Read more on the aspects of Citizens Budgets as reviewed by CABRI in ten African Countries.
30 The power of making it simple.
**Guideline:** Question 52 asks whether the citizens' budget has provided information on expected revenue from the equitable share and the conditional grants from the national government and development partners in the coming budget year. This may be given in tables, bar graphs or even clear narratives presenting the figures.

For the researcher to choose “A,” Citizen Budget should have both components of equitable revenue share and conditional grants with their coming year’s targets. To choose “B,” Citizen Budget should have either of the two components of equitable revenue share or conditional grants with their coming year’s targets.

**Source of the Question:** Guideline for the preparation of Mwananchi Budget Guide for the period 2018/19 – 2020/21 by Council of Governors: Section 2.3 external Source- this is money that the County Government receives from National Transfers including conditional grants and; development partners in the form of grants.

53. **Does the Citizens’ Budget present information on local/own source revenues with their breakdown into individual components?**

   A. Yes  
   B. No

**Guideline:** Question 53 asks whether the citizen's budget has provided information on the targets for local revenue that the county anticipates collecting in the coming budget year. This should be broken down into individual components falling under the following streams: Property related revenue, administrative fees & Charges, Business permits, Vehicle Parking fees, Natural Resources, exploitation & Conservancy, Public Health Services, Markets, trade licenses & slaughterhouses, Cess, Water & Sewage Services, All other revenue. This may be given in tables, bar graphs or even clear narratives presenting the figures.

To choose option “A,” Researchers must ensure a breakdown of own-source revenue to individual components listed above, which varies in counties. Further, for each breakdown provided, there should be targeted revenue for the coming budget year.

**Source of the Question:** Guideline for the preparation of Mwananchi Budget Guide for the period 2018/19 – 2020/21 by Council of Governors section 2.1 on local revenue/ own revenue sources that are provided in the Constitution of Kenya 2010 section 209 (3) “a county may impose property rates, entertainment taxes; and any other tax that it is authorized to impose by an Act of Parliament.”. The Mwananchi Guideline has further expounded what the constitution provides to individual revenue components.

**Priorities in Allocation and Spending**

The broad development policies of the County Government provide a clear and progressive approach to what public priorities receives special attention over the Medium Term, i.e., what are the large categories of spending going to be, and why? Including current expenditure required for the delivery of services. In Citizens Budget, the following key question is evaluated.
54. Does the Citizens Budget present information on key priorities for the coming year?

A. The Citizens Budget/ Mwananchi Budget has information on key priorities/ large spending categories for the coming budget year and justifications for those priorities.

B. The Citizens Budget/ Mwananchi Budget has the information on key priorities/ large spending categories for the coming budget year but does not have their justifications.

C. The Citizens' Budget has none of the above information.

Guideline: Question 54 asks whether the Citizens Budget has provided information on the key priorities for the year, including justifications for their allocations.

To answer “A,” Citizens Budget should have a section with key priorities for the coming budget year and has justified/ explanation on why the county has those priorities in place. To answer “B,” the Citizens Budget section with key priorities for the coming budget year only and no information that justifies those priorities.


Expenditure Information

How the County Government intends to spend the money (this should be presented in a summary table allowing easy comparisons of total proposed spending for each sector/ department or ministry - in respect of salaries, goods and services, or capital expenditure is to deliver services in various sectors of the economy.

Questions 55 through 58 Source: Guideline for the preparation of the Mwananchi Budget Guide for the period 2018/2019 – 2020/21 by Council of Governors. In section 3.2 on Sector-specific programmes (government expenditure), whether in respect of salaries, goods and services, or capital expenditure, are to deliver services in various sectors of the economy. This should be presented in a summary table, allowing easy comparisons of total proposed spending for all sectors. These sectors could include Agriculture, Rural and Urban Development ii) Energy, Infrastructure, and ICT; iii) Health iv) Education v) Governance vi) Public Administration vii) Social Protection, Culture and Recreation; and viii) Environmental Protection, Water and Natural Resource as provided in the Mwananchi Guideline but sectors/ departments/ ministries vary in Counties.

55. Does the Citizens Budget present budget allocations classified into recurrent and development by departments/ sectors for the coming year?

A. The Citizens Budget gives the coming year budget allocation classified to recurrent and development by sectors/ departments or ministries.
B. The Citizens Budget gives the **coming year budget allocation by sectors but is not** classified as **recurrent and development**.

C. The Citizens budget **has none** of the above information.

**Guideline:** Question 55 asks whether the county’s Citizens Budget has provided information on the **allocations to each sector/ department or ministry** and a further classified to **recurrent and development**. This may be given in tables, bar graphs or even narratives presenting the figures. To answer “A,” the Citizens Budget should give sectoral/ departmental budget allocations for the upcoming budget year classified as recurrent and development. To answer “B,” the Citizens Budget should give the total budget allocation to each sector but no information on recurrent and development.

### Capital Projects
The County Government should provide information on the status of ongoing capital projects, i.e., sub-county or ward specific.

#### 56. Does the Citizens Budget provide information on capital projects the County Budgets for in the coming financial year?

A. The Citizen’s Budget has provided **all** the following details on the capital project: **specific location** (i.e., sub-county or ward), **proposed allocation**, **status** (i.e., new or on-going) and the **implementation time frame** (start - end) for each capital project.

B. The Citizen’s Budget has provided the **specific location** (i.e., sub-county or ward) and **proposed allocation** and **either the status** (i.e., new or ongoing) or the **implementation time frame** (start - end) for each capital project.

C. The Citizen’s Budget has provided the **specific location** (i.e., sub-county or ward) and **proposed allocation** only for each capital project.

D. The Citizens Budget **has none** of the above information.

**Guideline:** Question 56 asks whether the Citizens Budget has the following details for each of the capital/flagship projects presented: **specific location** (i.e., sub-county or ward), **proposed allocation**, **status** (i.e., new or ongoing) and the **implementation time frame** (start - end) for each capital project.

Researchers should note that in this question, **specific location (i.e., sub-county or ward) and proposed allocation for each capital project must be presented in the Citizens Budget. This also applies where a County has only provided costly projects since the Citizens Budget may not present all the capital/ transformation projects.**

To Answer “A,” each capital project should have a **specific location** (i.e., sub-county or ward), **proposed allocation**, **status** (i.e., new or on-going) and the **implementation time frame** (start - end) for each capital project for each of the sectors/ departments/ ministries. To answer “B,” each capital project should have a **specific location** (i.e., sub-county or ward), **proposed allocation and either status** (i.e., new or on-going) or the **implementation time frame** (start - end) for each capital project.
project for each of the sectors/ departments/ ministries. Answer “C” where the Citizens Budget has presented only the specific location (i.e., sub-county or ward) and proposed allocation for each capital project provided in each of the departments/ sectors, or if it is annexed, completeness and consistency of the information should be checked.

Source of the Question: Guideline for the preparation of the Mwananchi Budget Guide for the period 2018/19 – 2020/21 by Council of Governors; Section 3.3 on the presentation of capital projects requires project and sub-county/ ward specific location. The County Government should provide information on the status of ongoing projects.

County Budget Process- Budget Calendar
The county should attach the budget calendar outlining the timelines for the budget process under the requirements of the Public Finance Management Act, 2012.

57. Does the Citizens Budget present roles of stakeholders in each budget stage, and how citizens should be involved at each stage?

A. The Citizens Budget has information on the roles of stakeholders at each budget stage and where citizens can get involved at each budget stage with indication offices/ agencies responsible.
B. The Citizens Budget has information in two of three of the following details: roles of stakeholders at each budget stage and where citizens can get involved at each budget stage with indication offices/ agencies responsible.
C. The Citizens Budget has information in one of three of the following details: roles of stakeholders at each budget stage and where citizens can get involved at each budget stage with indication offices/ agencies responsible.
D. The Citizens Budget has none of the above information.

Guideline: Question 57 asks whether the Citizens Budget has provided information on the agency/office/officer responsible at each stage and how citizens can get involved should be provided in the Citizen's Budget.

Source of the Question: Guideline for the preparation of the Mwananchi Budget Guide for the period 2018/19 – 2020/21 by Council of Governors. In the guide, Section IV on Budget Calendar

Glossary, Annexes and Contact Information
The citizens' budget should have details explaining the terms used in the citizens’ budget, information for follow-ups, clarifications, and more information that citizens may require and should also have relevant contacts. This is useful for the County Government to include a glossary of commonly used budget terms. Most people in their day-to-day lives do not use the technical language often encountered in budget documents, and many users may need some simple definitions to get a sense of what they are reading or hearing. In this section of the questionnaire, the following key question is evaluated.
58. Does the Citizens Budget have glossary information on key budgeting terms and contact information?

A. The Citizens Budget has information on the glossary of key budgeting terms and contact information.

B. The Citizens Budget has information on either glossary of key budgeting terms or contact information.

C. The Citizens Budget has none of the above information.

Guideline: Question 58 asks whether the Citizens Budget has explained all budgeting terms used in the Mwananchi Budget and contact information that citizens can reach the county officials/o officials where the clarifications or further information should be sought. Terminologies such as MTEF can be strange to citizens and should be defined.

To answer “A,” where the Citizens Budget has provided information on the glossary of key budgeting terms and contact information and answer “B,” where the Citizens Budget has provided only one of the two assessed information in option “A.”


THE COUNTY FINANCE ACT

The County Finance Act provides details of different amendments to the tax laws in a county, including changes or inclusion of various levies and charges for the current financial year. The Public Finance Management Act 2012, sections 132 and 133, provides information on revenue-raising measures. After the approval of the Appropriation Bill by 30th June, the Finance Bill is supposed to be passed after 90 days and be referred to as the Finance Act. The County Finance Act helps county governments improve their revenue collections by identifying new revenue streams and strengthening the existing revenue laws.

Unlike the other budget documents, the Finance Act contains limitations of legislative drafting. Focusing on the issues related to transparency, the researcher ought to look beyond the Finance Act itself. For example, can we trace the mother acts being modified by the County Finance Act, or can we trace the relevant Finance Bill containing the Memoranda of Objects and Reasons?

Notably, the Finance Act might have provisions applying beyond the financial year that was passed, and in this questionnaire, the following questions are evaluated:

Effective Commencement Dates
The County Finance Act should have information on when the new/proposed rates are operational or made effective.
59. Does the County Finance Act indicate the date(s) when the revenue proposals take effect?
   A. Yes
   B. No

**Guideline:** Question 59 asks whether the County Finance Act has provided information on the commencement dates when the new rates are operational. In situations where different sections or provisions of the Act may have different commencement dates, that should be indicated. In cases where commencement dates are not yet decided, or certain policies must be put first, that should be captured Finance Act.

Effective commencement dates may differ from clause to clause. Researchers must check all clauses to answer “A” in this question to ensure effective dates are provided.

<table>
<thead>
<tr>
<th>Tax/charge</th>
<th>Commencement (date/regulations)</th>
<th>Relevant section</th>
</tr>
</thead>
</table>

**Modification of the Existing Laws**

The Finance Act should be modifying various pre-existing financial laws. In such instances, those laws ought to be publicly available on the official government websites, or references should be provided for easy tracing.

60. Can we find the pre-existing laws relevant to what the current Finance Act is modifying on the County’s official website?
   A. Yes
   B. No

**Guideline:** Question 60 asks whether the laws that are being amended are available online. This is in cases where the tax measures presented are related to existing money bills in the county.

To choose option “A,” where the Finance Act has provided all the pre-existing acts/ laws referenced modified in the Finance Act. If the County Finance Act has no existing laws presented, then it should present the previous year’s Finance Act on their website for the Researcher to pick “A” in this Question.

<table>
<thead>
<tr>
<th>Tax/charge</th>
<th>Tax law modified</th>
<th>Availability of the relevant act</th>
</tr>
</thead>
</table>

**Rate and Incidence of Tax**

It should be clear from the Finance act which and to who the tax/ charges are imposed on.
61. Does the Finance Act provide details on the rate of each tax/charge and who the tax/charge is imposed on?
   A. Yes
   B. No

Guideline: Question 61 asks whether the rate or how much is to be paid and who is should pay the tax/charge. Information on tax bases or categories of taxpayers should be presented in the Finance Act.

To choose “A,” where the Finance Act has given the information as in the question.

Revenu Administration

The Finance Act should have information on the administration of revenue guiding laws to ensure compliance with taxes and charges on payments, defaults, and penalties. Also, this section should give information on the delegation of responsibilities. The County Finance Act should have information on payments. This should guide how citizens pay for the tax, levies, and other chargeable services the county government provides.

62. Does the County Finance Act present information on payments of taxes?

   A. The County Finance Act has provided information on payments and how payments are made and have information on who is authorized to receive/collect such payments.
   B. The County Finance Act has provided information on payments and how payments are made or present information on who is authorized to receive/collect such payments.
   C. The County Finance Act has provided information on payments and has no information on how payments are made, and, further, there is no information on who is authorized to receive/collect such payments.
   D. The County Finance Act has none of the information above.

Guideline: Question 62 asks whether Finance Act has provided information on payment information which channel will payments be made through/how the payments are made, and who is authorized to receive/collect those payments.

To choose option “A,” the Finance Act should have a section with information on how payments are made with information on who is authorized to collect/received such payments. To pick option “B,” the County Finance Act has information on either how payments are made or the authorization to collect such payments. To answer “C,” the Finance Act should present overall information on payments; in this case, the act has only captured information on payments.
63. Does the Finance Act provide information on the status of previous defunct local authority by-laws?
   A. Yes
   B. No

**Guideline:** Question 63 requires a County Finance Act to have a section with the previous local authority by-laws. Counties are required to adjust their local authority by-laws to be relevant.

To answer “A,” if the Finance Act has provided a section where the status of the previous local authority laws is provided.

**COUNTY QUARTERLY BUDGET IMPLEMENTATION REPORT**

Counties are required to produce and publish the progress in budget performance through implementation reports every three months. Section 166 of the Public Finance Management Act 2012 provides that County Quarterly Budget Implementation Reports should provide financial and non-financial information on revenue and expenditure performance. This is crucial in monitoring whether the funds are being spent by departments and programmes as planned and approved in the budget estimates.31

The reports should provide information to oversight agencies such as the county assemblies and citizens. This also offers the opportunity to rectify challenges in the course of the implementation of the budget. The County Quarterly Budget Implementation Review Reports should have information that answers the following key questions.

The major key reference is the [Public Sector Accounting Standards Board (Kenya) and Templates for the County Quarterly Implementation Reports](#).

**PFM Act 20120 Section 166 (1) (2):** “Accounting officer to prepare quarterly reports for a county government entity (1) an accounting officer for a county government entity shall prepare a report for each quarter of the financial year in respect of the entity. (2) In preparing a quarterly report for a county government entity, the accounting officer shall ensure that the report (a) contains information on the financial and non-financial performance of the entity and (b) is in a form determined by the Accounting Standards Board33.

It is important to note that some counties publish financial statements that are required to be submitted to the Controller of Budget. These financial statements are not the implementation reports that counties are required to publish online as they do not have any non-financial details. Also, some counties take advantage by extracting their county sections in the controller of budget implementation reports or wholly publishing online as opposed to the requirement of the law that counties should develop these reports. The County Budget Transparency Survey does not assess such budget documents as they are different from what the law requires counties to present online.
31 The presentation of the information in the CQBIR should be at programme and subprogramme level and be in a format consistent with the Programme-Based Budget.

32 Template for counties to report Quarterly Implementation

33 Public Sector Accounting Standards Board (Kenya) – County Governments Revised Templates 2020.
Revenue Information

The County Quarterly Budget Implementation Report should have detailed information on all revenue components by the source of revenue and their performance against the previous year's quarterly targets and the actual figures. This should also have information on the specific challenges faced in the quarter and their solutions on how the county improves its revenue performance going forward.

Note: Question 65 is a continuation of question 64

64. Does the CQBIR present information on the quarterly actual revenue performance by source?

   A. The CQBIR has provided information on actual revenue performance for the quarter broken down into three major sources.
   B. The CQBIR has provided information on actual revenue performance for the quarter broken down to any two of three major sources.
   C. The CQBIR has provided information on actual revenue performance for the quarter broken down to any one of three major sources.
   D. The CQBIR has none of the above information.

Guideline: Question 64 asks whether the CQBIR has provided information on the actual quarterly revenue performance. The information should have the three key revenue sources: equitable share, own source/local revenue, and conditional grants.

In this question, researchers should note that all three sources are required. For the researcher to choose “A” in this question, a CQBIR must have all the three components of equitable revenue share, local revenue, and conditional grants with their actual quarterly performance. To choose “B” in this question, a CQBIR must have any two of the three components of revenue mentioned in option “A” and to choose “C” in this question, and a CQBIR must have any one of the three components of revenue mentioned in option “A.”

Source of the Question: The County PFM Act 2015 Regulations 54 (2) (a) (d) “the contents of the report under paragraph (1) shall include (a) actual revenues, including appropriations in aid (d) a projection of expected expenditure and revenue collection for the remainder of the financial year. Also, in the County PFM Act 2015 64 (1) (2) (a), “the quarterly report in paragraph (1) shall include a statement of receipts and disbursements in such form as the Public Sector Accounting Standards Board may determine”.

The Consolidated Reports and Financial Statements for the year ended June 30, 2020, by PSASB, the section on the analysis of transfers from exchequer releases equitable share and conditional grants.
65. Does the CQBIR present revenue targets for the quarter either as quarterly targets or approved annual estimates compared to revenue performance in question 64?
   A. The CQBIR has presented quarterly targets or approved annual estimates for all three revenue sources: Equitable Share, Local Revenue and Conditional Grants.
   B. The CQBIR has presented quarterly targets or approved annual estimates for any two of the three revenue sources: Equitable Share, Local Revenue and Conditional Grants.
   C. The CQBIR has presented quarterly targets or approved annual estimates for any one of the three revenue sources: Equitable Share, Local Revenue and Conditional Grants.
   D. The CQBIR has none of the above information.

Guideline: Question 65 is an extension of question 64 and asks if the CQBIR has provided information on revenue comparisons. Which the targeted revenue could be for either the quarterly targets or annual targets. The CQBIR should have these comparisons for all the three revenue sources: Equitable Share, Local Revenue and Conditional Grants.

To choose option “A,” the CQBIR must provide either approved quarterly targets or the approved annual estimates for the year in comparison to what is provided in question 64 for all the three revenue sources: Equitable Share, Local Revenue and Conditional Grants. To choose “B,” the CQBIR should have what is required in option “A” for any two revenue sources. The researcher chooses option “C,” where the CQBIR has provided comparison by approved quarterly targets or the approved annual estimates for any revenue source.

Source of the Question: The County PFM Act 2015 Regulations 54 (2) (a) (d) “the contents of the report under paragraph (1) shall include (a) actual revenues, including appropriations in aid; (d) a projection of expected expenditure and revenue collection for the remainder of the financial year. Also, in the County PFM Act 2015 64 (1) (2) (a), “the quarterly report in paragraph (1) shall include a statement of receipts and disbursements in such form as the Public Sector Accounting Standards Board may determine”.

The Consolidated Reports and Financial Statements for the year ended June 30, 2020, by PSASB, the section on the analysis of transfers from exchequer releases equitable share and conditional grants.

66. Does CQBIR present quarterly performance of local /own-source revenue broken down to individual sources showing the actual receipts against approved targets?
   A. The CQBIR has a breakdown of local revenue by stream/ source with their actual revenue collections against their approved targets for the quarter or the financial year targets.
   B. The CQBIR has a breakdown of local revenue by stream/ source with their actual revenue collections but no comparison to their approved targets for the quarter or the financial year targets.
   C. The CQBIR has none of the above information.
**Guideline:** Question 66 asks whether the CQBIR has presented collections from local revenue sources, which should include the actuals against the approved quarterly targets or annual targets for each revenue source. This should be broken down into individual sources of the own-source revenue, including taxes and service charges. These sources include property-related revenue, administrative fees & charges, business permits, vehicle parking fees, natural resources, exploitation & conservancy, public health services, markets, trade licenses & slaughterhouses, cess, water & sewage services, all other revenue.

To choose option “A,” Researchers must ensure a breakdown of own-source revenue to individual components listed above, which varies in counties. Further, for each breakdown provided, there should be actual quarterly revenue collected and compared with either the quarterly approved targets or annual approved targets. Choose option “B,” where the CQBIR has only provided the actual local revenue collection to each local stream/source but failed to compare with quarterly approved targets or the targets for the year. This information should be provided in a table.

**Source of the Question:** The *County PFM Act 2015 Regulations 54 (2) (a) (d)* “the contents of the report under paragraph (1) shall include (a) actual revenues, including appropriations in aid; (d) a projection of expected expenditure and revenue collection for the remainder of the financial year and *County PFM Act 2015 64 (1) (2) (a)* “The quarterly report in paragraph (1) shall include a statement of receipts and disbursements in such form as the Public Sector Accounting Standards Board may determine”.

**Consolidated Reports and Financial Statements for the year ended June 30, 2020, by PSASB**

This section should include all classes of revenues raised by the County Government. Tailored to reflect the classes of revenue for each County. Besides, the preparers of the financial statements should endeavor to classify all revenues and avoid lumping up revenues under the class of other miscellaneous receipts.

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**67. Does the CQBIR present narrative information on revenue collection challenges faced during the previous quarter and the proposed solutions to address the identified challenges?**

A. The CQBIR has provided narrative discussion(s) on revenue challenges on performance and the proposed solutions to address the revenue challenges.

B. The CQBIR has provided narrative discussion(s) on revenue challenges on performance but does not propose any solution to address challenges.

C. The CQBIR has none of the above information.

**Guideline:** Question 67 asks whether the CQBIR has provided information explaining the challenges that led to poor revenue performance and the recommendations or measures put in place to address the challenges faced during implementation/ ways to improve revenue performance.
To Answer “A,” the quarterly implementation report should present information on revenue challenges that led to poor performance/why the county did not achieve the set targets and has proposed the solutions to address the revenue challenges. To answer “B,” if only revenue challenges are given in the CQBIR, no information on solutions to address challenges is highlighted.

**Source of the Question:** Consolidated Reports and Financial Statements for the year ended June 30, 2020, by PSASB “list the implementation challenges of strategic objectives for the County and the County’s future outlook.” The County Quarterly Budget Implementation Report should give the challenges that the county faced during the collection of the revenue.
**Expenditure Performance**

The Quarterly Budget Implementation Report should provide expenditure information showing the progress on quarterly budget execution. The County Quarterly Implementation Reports should explain the performance of expenditures by departments and different breakdowns, including economic and functional classifications. It should also provide expenditure performance for the current quarter under review against targets for the quarter, annual targets, or a similar quarter in the previous year.

For a better understanding of the performance, the reports should give explanations on budget absorptions, variances, successes, challenges faced during the implementation of the budget in the quarter under review, and ways to address the challenges and improve performance in the future. The expenditure performance should also be given below the sub-programme level.

This classification provides information on what money was spent on, i.e., recurrent and development and below, the types of transactions, such as wages, purchase of assets, etc.

**Questions 68 through 70 Source:** The [County PFM Act 2015 Regulations 54 (2) (b)](https://example.com) and [County PFM Act 2015 Regulations 207 (2) (b)](https://example.com) “the quarterly reports prepared under paragraph (I) of this regulation shall include information on expenditure.”

Consolidated Reports and Financial Statements for the year ended June 30, 2020, by PSASB: Put the forward note by the CEC (Counties are encouraged to use the Model Financial Statements) to include the following: Mention the budget performance against actual amounts for the current year and for cumulative to-date based on programmes, (make use of pictures, tables pie charts and graphs).
68. Does the CQBIR present information on the quarterly actual expenditure performance by sectors/ departments or ministries?

A. The CQBIR has information on the actual quarterly expenditure performance by each of the sectors/ departments or ministries.
B. The CQBIR has information on the actual quarterly expenditure performance by some but not all the sectors/ departments or ministries.
C. The CQBIR has information on the overall total actual quarterly expenditure performance only and is not disaggregated by the sectors/ departments or ministries.
D. The CQBIR has none of the above information.

Guideline: Question 68 asks whether the CQBIR has provided expenditure information for the quarter, presenting the actual expenditures broken down by departments/sectors or ministries.

To answer “A,” the CQBIR must provide actual quarterly expenditure across all the departments/sectors or ministries. To answer “B,” the CQBIR must provide actual quarterly expenditure in some but not none of the departments/sectors or ministries. To answer “C,” the CQBIR should have actual quarterly expenditure information at an overall level but no information on sectors/departments or ministries.

In CQBIR, this information can be presented in a table that contains all the County’s departments/ sectors with the actual spending for the quarter under assessment.
69. Does the CQBIR present quarterly expenditure performance broken down into recurrent and development budgets by departments/sectors or ministries?

A. The CQBIR has information on the actual quarterly recurrent and development expenditure performance by each of the sectors/departments or ministries.
B. The CQBIR has information on the actual quarterly recurrent and development expenditure performance by some but not all the sectors/departments or ministries.
C. The CQBIR has information on the total actual quarterly recurrent and development expenditure performance but is not disaggregated by the sectors/departments or ministries.
D. The CQBIR has none of the above information.

**Guideline:** Question 69 asks whether the CQBIR has presented information on actual budget expenditure for the quarter broken down to recurrent and development components across all the departments/sectors.

To answer “A,” the CQBIR must provide actual quarterly recurrent and development expenditure across all the departments/sectors or ministries. Answer “B” where it does not cover all the departments and answer “C” where it is provided at the overall level, the recurrent and development figures for the quarter are provided for the overall county budget spending in the quarter.

**Source of the Question:** The County PFM Act 2015 Regulations 54 (2) (b) (iv) “the contents of the report under paragraph (1) shall include expenditures classified in economic classification ..(iv) capital expenditure.”
70. Does the CQBIR present the breakdown of recurrent expenditure to the two major components: personnel emoluments and goods and services with their actual quarterly performance by departments/sectors or ministries?

A. The CQBIR has information on the breakdown of recurrent expenditure for the two major components: personnel emoluments and goods & services with their actual quarterly performance by each of the sectors/departments or ministries.

B. The CQBIR has information on the breakdown of recurrent expenditure for the two major components: personnel emoluments and goods & services with their actual quarterly performance by some but not all the sectors/departments or ministries.

C. The CQBIR has information on the breakdown of recurrent expenditure for the two major components: personnel emoluments and goods & services with their actual quarterly performance in overall total only but not disaggregated by the sectors/departments/ministries.

D. The CQBIR has none of the above information.

**Guideline:** Question 70 asks whether the CQBIR has presented its recurrent expenditure for the quarter broken down to its’ different components: compensation to employees/personnel emoluments, operations & maintenance/goods & services, and gives their actual performance for the quarter.

To answer “A,” the CQBIR must provide actual quarterly compensation to employees/personnel emoluments, operations & maintenance/goods & services expenditure across all the departments/sectors or ministries. To answer “B” only where it does not cover all the departments and answer “C” where it is provided at an overall level.

**Source of the Question:** The [County PFM Act 2015 Regulations 54 (2) (b) (i) (ii)](http://example.com) “the contents of the report under paragraph (1) shall include expenditures classified in economic classification as follows (i) compensation to employees; (ii) use of goods and services.”
71. **Does the CQBIR present expenditure targets for the quarter either as approved quarterly targets or annual estimates?**

A. The CQBIR has comparisons for either approved targets or annual estimates for all three questions 68 to 70.
B. The CQBIR has comparisons for either approved targets or annual estimates for any two of the three questions 68 to 70.
C. The CQBIR has comparisons for either approved targets or annual estimates for any three questions 68 to 70.
D. The CQBIR has none of the above information.

**Guideline:** Question 71 asks whether the CQBIR has provided the comparison of the quarterly approved budget or the approved budget for the year in continuation with questions 68-70.

To choose option “A,” the CQBIR must provide either quarterly targets or the annual estimates for the year compared to what is provided in questions 68 to 70. To answer “B,” the CQBIR should have information on comparisons of approved quarterly targets or annual estimates applied to any two questions from 68 through 70. To choose option “C,” where the CQBIR has provided comparisons mentioned in “A” to any of the three questions from 68 to 70.

72. **Does the CQBIR present quarterly expenditure performance information below the departmental/sectoral level?**

A. The CQBIR has presented their quarterly actual expenditure performance versus their quarterly or annual approved budget below departmental/sectoral levels.
B. The CQBIR has presented its quarterly actual expenditure performance only below departmental/sectoral levels.
C. The CQBIR has none of the above information.

**Guideline:** Question 72 asks whether the CQBIR has provided quarterly expenditure performance information. The actual quarterly expenditure performance compared with either their approved budget for the quarter or their annual budget disaggregated below the departments. The disaggregation below the departments simply includes expenditure at the programme and sub-programmes levels.

To answer “A” in this question, the CQBIR should give actual expenditure performance for the quarter compared with their approved annual budget or quarterly target provided below departmental level (programme and sub-programme) and answer “B,” the CQBIR should have actual quarterly expenditure performance below departmental level.

**Non-Financial Information**
For the analysis of expenditures by programmes and sub-programmes, non-financial data for outputs and outcomes should be provided in the County Quarterly Implementation Reports.\(^{34}\)

In this section, the following key question is evaluated:

**73. Does the CQBIR present the information for non-financial quarterly performance against targets and indicators at the departmental/sectoral level?**

<p>| | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>A</td>
<td>The CQBIR presents actual quarterly performance against indicators and quarterly or annual targets by departments/sectors.</td>
</tr>
<tr>
<td>B</td>
<td>The CQBIR presents actual quarterly performance against indicators without quarterly or annual targets by departments/sectors.</td>
</tr>
<tr>
<td>C</td>
<td>The CQBIR presents performance on and indicators by departments/sectors.</td>
</tr>
<tr>
<td>D</td>
<td>The CQBIR has none of the above information.</td>
</tr>
</tbody>
</table>

**Guideline:** Question 73 asks whether the CQBIR has provided information on non-financial targets and indicators for the quarter. This may include details of expected outputs, the planned targets, and actual achievements for the sub-programmes under each programme and across all the county’s departments or sectors.

To answer “A” in this question, the CQBIR should give a table with the information on the actual targets achieved compared with their quarterly targets or annual targets and their indicators below the departments/sectors or ministries. To answer “B,” the CQBIR should have information on the actual performance compared and their indicators below the departments/sectors or ministries but no information on targets.

**Source of the Question:** *The PFM Act 2012 166(2) (a)* requires the implementation reports to give the non-financial performance of an entity (sector, ministry, departments) and in the *County PFM Act Regulations 2015 129 (1).*

**Information on Capital Projects**

The CQBIR provides an update on major capital projects, i.e., countywide flagship and ward level projects progress.

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\(^{34}\) Non-financial performance data, including performance targets, for expenditure programs.
Does the CQBIR provide all the significant details for the capital projects?

A. The CQBIR has provided all the following capital project details: specific location, completion status, approved cost, the actual cost paid up in the quarter under review for each capital project.

B. The CQBIR has provided three of four of the following capital project details: specific location, completion status, approved cost, the actual cost paid up in the quarter under review for each capital project.

C. The CQBIR has provided two of four of the following capital project details: specific location, completion status, approved cost, the actual cost paid up in the quarter under review for each capital project.

D. The CQBIR has none of the above information.

Guideline: Question 74 asks whether the CQBIR has presented key information on capital projects. Counties should provide the following key information: specific location, completion status, approved cost, the actual cost paid up in the quarter under review for each capital project.

Researchers should go through each sector/department to check for the details on the capital projects, as asked in the question. In the Quarterly Implementation Report, this question evaluates the four core details only, and there are other details that counties should give on their capital projects. To Answer “A,” each capital project should have all the following details: specific location (i.e., sub-county or ward), completion status, approved cost, the actual cost paid up in the quarter under review for each flagship project across all the sectors/departments/ministries. To answer “B,” each capital project should have any three of the four details in option “A,” and to answer “C,” each capital project should have any two of the four details provided in option “A.”

Source of the Question: Consolidated Reports and Financial Statements for the year ended June 30, 2020, by PSASB. Comment on each of the County's flagship projects and how they have been achieved.

Expenditure Implementation Challenges
75. Does the CQBIR give information on expenditure challenges and propose solutions to address the identified expenditure challenges during the implemented quarter?

A. The CQBIR has a narrative(s) on expenditure challenges and measures/solutions to address the challenges on expenditure performance.
B. The CQBIR has a narrative(s) on expenditure challenges without measures/solutions to address the challenges on expenditure performance.
C. The CQBIR has none of the above information.

Guideline: Question 75 asks whether the CQBIR has provided information on challenges that may have hindered expenditure performance and propose solutions to address the challenges.

To Answer “A,” the quarterly implementation report should present information on expenditure challenges that led to poor performance/why the county failed to achieve the set targets and has proposed the solutions to address the expenditure challenges. To answer “B,” if only expenditure challenges are given in the CQBIR and no information solutions to address the expenditure challenges.

Source of the Question: Consolidated Reports and Financial Statements for the year ended June 30, 2020, by PSASB, the County should list the implementation challenges of strategic objectives for the County and the County’s outlook.
A Guide to the Sector Budget Transparency Module Focus on Health Sector

Background

Budget transparency is not an end in itself and should always be linked to services and issues that citizens, Civil Society Organizations, and other development agents care about. Therefore, the County Budget Transparency Survey and its indicators have to measure the level of information that directly informs the public and oversight institutions on services and whether there is sufficient information to monitor allocations and progress in their delivery. Therefore, this health module aims to start completing the loop in connecting the CBTS indicators to the issues that communities are interested in. The level of information provided by counties at the sector level and which this module evaluates, is necessary. While CBTS evaluates the level of the information provided in the published budget documents, more detailed information beyond these legal requirements should be evaluated to fill the gap. IBP Kenya evaluated a module on budget transparency that focused on how counties provide information on equity in CBTS 2021 as the pilot.

In monitoring the sector budget, there is a need to understand the details that go beyond the main basic budget as the law requires. The sector's funding sources are crucial for modular pieces, and the geographical distribution of resources and services is wholly looked at from the equity perspective. More so, the detailed disaggregation of the information on programs, services, and projects.

This questionnaire presents the indicators that are used to assess the availability of specific and detailed information on the following:

i. Types of information needed to evaluate service delivery in sectors
ii. Data on budget implementation,
iii. Linking expenditure to performance targets, and
iv. Reporting on transfers to other entities.

Some of the key information we will evaluate in this module is the consistency of how the county's key budget documents present the information from one budget document to the next in the budget process. To be specific, the evaluation of the information assesses whether the information in the execution document(s) is presented in a manner that is consistent with the presentation in the approval documents. When budget information is presented consistently, it facilitates comparisons within the year and over time. It analyzes how the government allocates and spends during the budget cycle, which is more open and useful to
citizens and government entities that utilize such information for oversight. For the presentation to be consistent, it needs to align with the other documents being compared.

In this module, we will use nineteen indicators to assess how counties report the information in the approval and execution stages of the budget cycle. Even so, the information on the sector should be monitored throughout the budget process.

It is important to note that this guideline is intended to guide the researchers in evaluating the level of information on the health sector. However, it can also be utilized in assessing the level of information in other sectors.

**Research Process and Timeline**

This module will focus on the health sector and be evaluated by the researchers (budget facilitators) and reviewed alongside the County Budget Transparency Survey 2022. The budget documents assessed in CBTS 2022 will be the same budget documents used in the sector module assessment. The budget documents under review are for FY 2021/22.

A criterion in assessing the information on this module requires that a county must have published the Approved Programme Budget FY 2021/22 and either County Quarterly Budget Implementation Report or County Budget Review and Outlook Paper. Still, priority is given to evaluating the latest publicly available County Budget Implementation Report, and where a county has not published the implementation report County Budget Review and Outlook Paper is assessed.

**Health Sector Module: Approved Programme-Based Budget Indicators**

**Narrative Descriptions Provided at the Sector Level in the Health Ministry or Department**

**76. Does the approved Programme Based Budget present a section with a narrative that explains the health sector’s objectives and shows the expenditure associated with achieving the objectives?**

A. The approved Programme Based Budget has a narrative explanation of the objectives for the expenditures to be incurred in the health sector and shows how the expenditure is associated with achieving each objective.

B. The approved Programme Based Budget has a narrative explanation of the objectives in the health sector and expenditures to be incurred.

C. The approved Programme Based Budget presents a narrative of the objectives for the health sector.

D. The approved Programme Based Budget does not present any narrative on objectives in the health sector.

**Guideline:** Question 76 asks about the narratives on the objectives at the beginning of the health sector section in the approved Programme Based Budget. This narrative should explain
whether the expenditures presented are explicitly linked to those objectives. The narrative section should give the prioritized focus areas that the health sector will work to achieve in delivering services in the coming financial year and over the medium term.

To answer "A", the approved Programme Based Budget must present a narrative about the health sector's expenditures and the expenditure associated with achieving all objectives specified in the narrative for the coming budget year. Answer "B", where the approved Programme Based Budget presents the health sector's narrative with objectives and expenditures to be incurred in delivering the health services. Answer "C", where the approved Programme Based Budget gives a narrative explanation of the objectives in the health sector. Answer "D" applies where the county has no narrative in the health sector on objectives.

Health Sector/ Ministry Budget classification by economic and functional classifications

How counties present the expenditure information for the health sector budget allocation, and actual execution is crucial in monitoring the health funds allocated for the delivery of services. It is required that the county gives the expenditure information at the ministry/departmental/sectoral level classified as economic and functional with their complete breakdown/disaggregation at the programme and sub-programme levels to enable citizens to connect with expenditures.

77. Does the approved Programme Based Budget present the coming year's approved expenditure for the health sector/department or ministry?

   A. Yes
   B. No

Guidance: Question 77 asks whether the approved Programme Based Budget has provided the information for the coming year's approved expenditure at the administrative level, which is at the sectoral level or ministry/departmental level. This information may be in the form of a narrative or tables.

Answer "A" where the county has provided the budget allocation for the health sector/ ministry or department in their approved Programme Based Budget. Answer "B" where the approved Programme Based Budget has no budget allocation for the coming year for the health sector/department or ministry.

Source of the Question: County PFM Regulations 2015 27 (1) (a) (1) -updated forecasts expressed in Kenya shillings for the ... three further years ... for the consolidated county government budgets.

78. Does the approved Programme Based Budget present the coming year's expenditure breakdown to recurrent and development in the health sector/department or ministry?

   A. Yes
   B. No
Guidance: Question 78 asks whether the approved Programme Based Budget has provided the information for the coming year’s expenditure broken down to recurrent and development. This information may be in the form of a narrative or tables.

Answer "A" where the county has provided the coming year’s budget allocation for the health sector/ ministry or department broken down to recurrent and development in their approved Programme Based Budget. Answer "B" where the approved Programme Based Budget has no information on the breakdown of recurrent and development expenditure for the coming year in the health sector/ department or ministry.

Source of the Question: County PFM Regulations 2015 27 (1) (a) (1) - updated forecasts expressed in Kenya shillings for the ... three further years ... for the consolidated county government budgets.

79. Does the approved Programme Based Budget present the coming year’s recurrent expenditure breakdown to personnel emoluments and operations & maintenance in the health sector/ department or ministry?

A. Yes
B. No

Guidance: Question 79 asks whether the approved Programme Based Budget has provided the information for the coming year’s recurrent expenditure broken down to personnel emoluments and operations & maintenance. This information may be in the form of a narrative or tables.

Answer "A" where the county has provided the budget allocation for the health sector’s personnel emoluments and operations & maintenance in their approved Programme Based Budget. Answer "B" where the approved Programme Based Budget has no information on the breakdown of recurrent personnel emoluments and operations & maintenance for the coming year in the health sector.

Source of the Question: County PFM Regulations 2015 27 (1) (a) (1) - updated forecasts expressed in Kenya shillings for the ... three further years ... for the consolidated county government budgets.

80. Does the approved Programme Based Budget give expenditure projections by at least two upcoming budget years for questions 77, 78 and 79?

A. The approved Programme Based Budget presents at least two-year projected expenditure estimates for all three questions 77, 78 and 79.
B. The approved Programme Based Budget presents at least two-year projected expenditure estimates for any two of the three questions 77, 78 and 79. Or the approved Programme Based Budget presents one outer-year projected expenditure estimate for all three questions 77, 78 and 79.
C. The approved Programme Based Budget presents at least two two-year projected expenditure estimates for any of the three questions 77, 78 and 79. Or the approved
Programme Based Budget presents one outer-year projected expenditure estimate for any two of the three questions 77, 78 and 79.

D. The PBB has none of the above information.

Guidance: Question 80 asks whether the approved Programme-Based Budget has provided expenditure projections for at least two upcoming budget years compared to the information, i.e., tables presented in questions 77, 78 and 79. This is in line with the Medium-Term Expenditure Framework (MTEF) used to prepare Kenya’s budgets.

The Researcher chooses ‘A’ where projected expenditure estimates for two outer years are provided for the health sector/department or ministry. Also, projections for the disaggregation by recurrent and development and further disaggregation of recurrent budget to operations and maintenance and the compensation to employees, i.e., for all three questions 77, 78 and 79, please refer. Choose option “B”, where any two are provided as in option “A” also, in cases where projections for one outer year are provided for all the three classifications in “A,” choose option “B.”. Researchers should pick option ‘C’ in cases where one of the three questions meets the requirements of the explanation of option ‘A,’. Also, in cases where the county presents one outer year projections for the health sector for all the three classifications in questions 77, 78 and 79. Option “D” is chosen where none of what is provided in option ‘A’ is met.

Source of the Question: County PFM Regulations 2015 27 (1) (a) (1) -updated forecasts expressed in Kenya shillings for the … three further years … for the consolidated county government budgets.

81. Does the approved Programme Based Budget provide actual historical expenditure performance by at least two past financial years for questions 77, 78 and 79?

A. The approved Programme Based Budget presents at least two two-year historical actual expenditure performances for all three questions 77, 78 and 79.

B. The approved Programme Based Budget presents at least two two-year historical actual expenditure performances for any two of the three questions 77, 78 and 79. Or the approved Programme Based Budget presents one in-year historical actual expenditure performance for all three questions 77, 78 and 79.

C. The approved Programme Based Budget presents at least two two-year historical actual expenditure performances for any one of the three questions 77, 78 and 79. Or the approved Programme Based Budget presents one in-year historical actual expenditure performance for any two of the three questions 77, 78 and 79.

D. The PBB has none of the above information.

Guidance: Question 81 asks whether the approved Programme-Based Budget has provided actual historical expenditure performance for at least two previous years in comparison with the information provided in questions 77, 78 and 79, i.e., tables presented in questions 77, 78
and 79. This is in line with the Medium-Term Expenditure Framework (MTEF) used to prepare Kenya's budgets.

The Researcher chooses ‘A‘ where actual historical expenditure for two past years is provided for the health sector/ department or ministry. Also, historical performances for the disaggregation by recurrent and development and further disaggregation of recurrent budget to operations and maintenance and the compensation to employees, i.e., for all three questions 77, 78 and 79. Choose option “B” where any two are provided as in option “A”, also, in cases where actual historical expenditures for one in-year are provided for all the three classifications in “A,” (or for questions 77, 78 and 79) choose the option “B,”. Researchers should pick option ‘C‘ in cases where one of the three questions meets the requirements of the explanation of option ‘A,’. Also, in cases where the county presents one in-year actual expenditure performance for the health sector to all the three classifications in questions 77, 78 and 79, option “C” is suitable. Option “D” is chosen where none of what is provided in option ‘A’ is met.

Source of the Question: County PFM Regulations 2015 27 (1) (a) (f) -updated forecasts expressed in Kenya shillings for the ... three further years ... for the consolidated county government budgets.

Personnel details on the Health Sector/ Ministry or Department
Staff wages and benefits form the largest components of county budget spending. Therefore, counties should provide further information on who is being paid and how much counties spend on personnel costs for both County Executive and Assembly, including salaries, wages, benefits, and allowances. It guides on compliance in PFM Act regulations 2015 25(1)(a) (b) & (f)35. This category includes all coming personnel-related payments to government employees-salaries, wages, and social contributions. Social contributions are government-funded service benefits for employees, such as pension or medical scheme contributions

82. Does the approved Programme Based Budget present information on personnel details such as the number of staff/employees, designation, and staff costs for the health sector/ department or ministry?

A. The approved Programme-Based Budget has presented the number of staff/ employees with their designation and staff costs for the health sector/ department or ministry.
B. The approved Programme-Based Budget has presented the number of staff/ employees with the staff costs for the health sector/ department or ministry.
C. The approved Programme-Based Budget has presented the number of staff/ employees for the health sector/ department or ministry.
D. The approved Programme-Based Budget has none of the above information.

35 The county governments expenditure on wages and benefits for its public officers shall not exceed 35% of the county’s total revenue.
**Guideline:** Question 82 asks whether the approved Programme Based Budget has provided information on the number of staff/employees by designation and staff costs (salaries, wages, and benefits) for the health sector. To answer "A," the approved Programme-Based Budget has presented the number of staff/employees with their designation and staff costs for the health sector/department or ministry. Choose option "B," where no designation accompanies the number of employees/staff. Answer "C" where one can tell how the health sector is paying many employees/staff at the county level.

**Expenditure at Programme and Sub-Programme Level in the Health Sector/Department or Ministry**
The Programme-Based Budget should have information on what allocated funds are spent on. Here, the programmatic objectives, i.e., the purpose for which the money allocated is utilized, i.e., health services, education services, etc., at the programme level and even go below it because programmes might be large and understanding their allocation and objectives may require further breakdown into sub-programmes.

**83. Does the approved Programme Based Budget present the summary tables with the programmes and sub-programmes with the coming year’s budget allocation for the health sector/department or ministry?**

A. The approved Programme Based Budget has presented the coming year’s budget allocations for the programmes and sub-programmes in the health sector/department or ministry.

B. The approved Programme Based Budget has presented the coming year’s budget allocations for the programmes but does not present the coming year’s budget allocations at the sub-programmes in the health sector/department or ministry.

C. The approved Programme Based Budget does not present any of the above information.

**Guideline:** Question 83 requires counties to present the expenditure information disaggregated below the departmental level, which means information at the programme and sub-programme level. This question asks whether the Approved Programme Based Budget has presented the financial information at the programme level information on the Health Sector.

For the researcher to choose option "A", the approved Programme Based Budget must give the coming year's approved expenditure for both programmes and sub-programmes. The information should be presented in the form of a table. Choose option "B", where the approved Programme Based Budget has only provided the information at the programme level but does not present the information at the sub-programme level. Option "C" is picked where no information is provided on programmes and sub-programmes.
Source of the Question: The PFM Act 2012 130(1)(b)(v) provides that all estimated expenditures, by vote and by the programme, clearly identify both recurrent and development expenditures. Also, the estimates of expenditure means (a) estimates of expenditure based on programmes and sub-programmes prepared on a three-fiscal year rolling basis, specifying the resources to be allocated and the outcomes to be achieved and outputs to be delivered, the estimates for the first year of every such period of three fiscal years requiring appropriation by the County Assembly.

84. Does the approved Programme Based Budget present at least two-year upcoming expenditure projections at the programme and sub-programme level for the health sector/ department or ministry?

A. The approved Programme Based Budget has presented at least two upcoming year expenditure projections for the programme and sub-programme levels in the health sector.

B. The approved Programme Based Budget has presented at least two upcoming year expenditure projections for the programme but not at the sub-programme levels in the health sector. Or The approved Programme Based Budget has presented one outer year expenditure projections for both programmes and sub-programmes in the health sector.

C. The approved Programme Based Budget has presented one outer year expenditure projections for programmes but not sub-programmes.

D. None of the above information is available.

Guideline: Question 84, the counties should present the information on upcoming expenditure projections at the programme and sub-programme levels.

For the researcher to choose option "A", the approved Programme Based Budget must give at least two-year upcoming projections at the programme and sub-programme levels for the health sector. Choose option "B", where at least two-year upcoming projections at the sub-programme level for the health sector is not provided, but the information at the programme levels on at least two upcoming years is provided. Also, in situations where the approved Programme Based Budget has presented one outer year expenditure projections for both programmes and sub-programmes in the health sector is scored “B,”. Pick option "C", where the approved Programme Based Budget has presented one outer year expenditure projections for programmes but has not presented at the sub-programme level. Option "D" is picked where all the three details in option "A" are missing in the approved Programme Based Budget.

Source of the Question: The PFM Act 2012 130(1)(b)(v) provides that all estimated expenditures, by vote and by the programme, clearly identify both recurrent and development expenditures. Also, the estimates of expenditure means (a) estimates of expenditure based on programmes and sub-programmes prepared on a three-fiscal year rolling basis, specifying the resources to be allocated and the outcomes to be achieved and outputs to be delivered, the
estimates for the first year of every such period of three fiscal years requiring appropriation by the County Assembly.

85. Does the approved Programme Based Budget present at least a two-year historical expenditure performance at the programme and sub-programme level for the health sector/department or ministry?

A. The approved Programme Based Budget has presented at least two-year historical expenditure performance for the programme and sub-programme levels in the health sector/department or ministry.

B. The approved Programme Based Budget has presented at least two-year historical expenditure performance for the programme but not at the sub-programme levels in the health sector/department or ministry. Or the approved Programme Based Budget has presented a one-year historical expenditure performance for programmes and sub-programmes in the health sector/department or ministry.

C. The approved Programme Based Budget has presented one-year historical expenditure performance for programmes but not sub-programmes.

D. The approved Programme Based Budget has presented none of the above information.

Guideline: Question 85, ask whether counties present the information on historical expenditure performance at the programme and sub-programme levels.

For the researcher to choose option "A", an approved Programme Based Budget has presented at least two-year historical expenditure performance for the programme and sub-programme levels in the health sector/department or ministry. Choose option "B", where at least two-year actual historical expenditure performance at the sub-programme level for the health sector is not provided, but the information at the programme levels on at least two previous years is provided. Also, in situations where the approved Programme Based Budget has presented one in-year expenditure, historical performance for both programmes and sub-programmes in the health sector is scored "B,". Pick option "C", where the approved Programme Based Budget has presented one in-year expenditure performance for programmes but has not presented at the sub-programme level. Option "D" is picked where the counties do not provide all the information at programmes and sub-programmes in their approved Programme Based Budget.

Source of the Question: The PFM Act 2012 130(l)(b)(v) provides that all estimated expenditures, by vote and by the programme, clearly identify both recurrent and development expenditures. Also, the estimates of expenditure means (a) estimates of expenditure based on programmes and sub-programmes prepared on a three-fiscal year rolling basis, specifying the resources to be allocated and the outcomes to be achieved and outputs to be delivered, the estimates for the first year of every such period of three fiscal years requiring appropriation by the County Assembly.
Non-Financial Data/ Information Provided in Health Sector/ Department or Ministry

To monitor the implementation of programmes and sub-programmes, non-financial data indicators, inputs, and targets should be provided in the Programme-Based Budget. The budget should disclose the amount of money allocated to a program and any information needed to analyze that expenditure. Non-financial data and performance targets associated with budget proposals are used to assess the success of a given policy. The performance targets must use non-financial data for outputs and outcomes to determine if these targets have been met.36

86. Does the approved Programme-Based budget provide indicators, baselines, and targets for each sub-programme within the programmes for the coming budget year in the health sector/ department or ministry?

A. The approved Programme Based Budget has non-financial details on indicators, baselines, and targets for each sub-programme in the health sector/ department or ministry.

B. The approved Programme Based Budget has all the following non-financial details on indicators, baselines, and targets linked to each programme in the health sector/ department or ministry.

C. The approved Programme Based Budget presents some non-financial details on indicators, baselines, and targets linked to each sub-programme or programme in the health sector/ department or ministry.

D. The PBB has none of the above information.

Guideline: Question 86 asks whether the approved Programme Based Budget has provided information on what the programmes and sub-programmes should achieve in the coming year in the health sector. This should be provided as indicators and targets linked to specific programmes and sub-programmes. Non-financial performance indicators and targets, representing the planned spending objectives, are presented in the budget and linked to spending programmes.

To answer this question, the approved Programme-Based Budget must have all three components of non-financial information: indicators, baselines, and next year’s targets. To answer “A,” the approved PBB should have this information in sub-programmes under each programme in the health sector. To choose option “B,” where the approved PBB has given the three non-financial information components under each programme and not at sub-programmes in the health sector. To answer “C,” the approved PBB should present non-financial information linked to some non-financial details in the sub-programmes or programmes in the health sector. Answer “D” where there is no information on the non-financial details provided in option “A” on the programmes and sub-programmes.

Source of the Question: Estimates of expenditure means: (a) estimates of expenditure based on programmes and sub-programmes prepared on a three-fiscal year rolling basis, specifying the resources to be allocated and the outcomes to be achieved and outputs to be delivered, the estimates for the first year of every such period of three fiscal years requiring appropriation by the County Assembly. PFM Act 2012 104 “no public funds shall be appropriated outside planning framework”, and the PFM Act Regulations 2015 129 (1) on Monitoring and Reporting gives a framework for monitoring and reporting non-financial performance. The PFM Act 2012 126 1 (c)37

87. Does the approved Programme Based Budget present information on the distribution of projects/programmes or activities in the health sector/department or ministry?

A. The approved PBB has provided all the following details on the projects in the health sector: specific location, approved allocation, status (i.e., new or ongoing) and the implementation time frame (start-end) for each project/activity.

B. The approved PBB has provided all the following details on the projects in the health sector: specific location approved allocation and either the status (i.e., new or ongoing) or the implementation time frame (start-end) for each project/activity.

C. The approved PBB has provided all the following details on the projects in the health sector: specific location and approved allocation for each project/activity.

D. The approved PBB has no details on projects/programmes and activities.

Guideline: Question 87 asks whether the approved Programme Based Budget shows how the health budget is distributed across areas in the county with how much is allocated, which can highlight equity and access issues of the health sector's expenditure. This information is important to show how expenditure in the sector is distributed across areas or regions, which can highlight equity and access issues.

Answer "A" where the approved Programme Based Budget has provided a specific location, approved allocation, status (i.e., new or ongoing) and the implementation time frame (start-end) for each project/programme/activity in the health sector. Answer "B" where the county provides three of the four key pieces of information in their approved Programme Based Budget, but the information on the locations and budget allocation to these activities/projects or programmes are provided, and one of the details on status or implementation timeframe is also provided. Answer "C" where only two key details are provided: locations and budget allocation to these activities/projects or programmes. Option "D" is picked where the

37 Programmes to be delivered with details for each programme of the strategic priorities to which the programme will contribute; the services or goods to be provided; measurable indicators of performance where feasible; and the budget allocated to the programme.
county provides none of the information required in option "A" in their approved Programme Based Budget.

**Health Sector Module: County Quarterly Budget Implementation Report/ County Budget Review and Outlook Paper Indicators**

This section assesses the level of information provided in the budget process's execution stage. The quarterly Budget Implementation Report is used to evaluate, and in situations where the county has not published any budget implementation report through the financial year, the County Budget Review and Outlook Paper are utilized for the assessment. At the execution stage, the county budget documents should provide expenditure information showing the progress on quarterly budget execution/ or at the end of the financial year (annual performance). The County Quarterly Implementation Reports and County Budget Review and Outlook Papers should explain the performance of expenditures by departments and various classifications, including economic and functional classifications on what money was spent on, i.e., recurrent and development, the types of transactions, such as wages, purchase of assets, etc. as required by budgeting reporting standards. Notably, the expenditure performance should also be given below the departmental level at the programme and sub-programme levels, which also entails reporting financial and non-financial performance.

For a better understanding of the performance, the reports/ Papers should explain budget absorptions, variances, successes, challenges faced during the budget implementation in the quarter under review, and ways to address the challenges and improve performance in the future.

**Questions 88 through 94 Source:** PFM Act 2012 118 2 (a) "the details of the actual financial performance in the previous year compared to the budget appropriation for that year." This section requires that the County Quarterly Budget Implementation Reports/ County Budget Review and Outlook Paper gives expenditure performance for the year under implementation/ previous year, and since reporting in the end-year report should be provided in a similar format as in Programme-Based Budget, this section evaluates a number of questions on approved and actual budgets for the past financial year distinguishing recurrent, and development spending and further assesses information on two major components of economic classification under recurrent expenditure which is compensation to employees/ personnel emoluments costs and operations and maintenance/use of goods and services. Further, this questionnaire has a question that evaluates expenditure performance at the programme and sub-programme levels.

**88. Does the CQBIR/ CBROP present information on the quarterly/ annual actual expenditure performance in comparison to the approved budget for the health sector/ department or ministry?**

A. The CQBIR/ CBROP has information on the actual quarterly/ annual expenditure
performance for the health sector in comparison to the approved budget/ quarterly budget or the previous year's approved budget.

B. The CQBIR/ CBROP has information on the actual quarterly/ annual expenditure performance for the health sector without comparison to the approved budget/ quarterly budget or previous years' approved budget.

C. The CQBIR has none of the above information.

Guideline: Question 88 asks whether the CQBIR/ CBROP has provided health sector expenditure information for the quarter/ annual, presenting the actual expenditures for the health sector. Further, providing the approved budget for the current year in CQBIRs and the previous financial year where the CBROP is evaluated.

To answer "A," the CQBIR/ CBROP must provide actual quarterly expenditure/ actual annual expenditure performance for the health sector and further give the approved budget/ quarterly budget targets or the previous year's approved budget in comparison. Choose option "B," where the CQBIR/ CBROP has provided actual quarterly expenditure/ actual annual expenditure performance for the health sector but does not give the approved budget. Answer "C," where the CQBIR/ CBROP has no information on actual expenditure for the health sector.

Source of the Question: The County PFM Act 2015 Regulations 54 (2) (b) (iv) "the contents of the report under paragraph (1) shall include expenditures classified in economic classification ... (iv) capital expenditure.

89. Does the CQBIR/ CBROP present information on the quarterly/ annual actual recurrent and development expenditure performance in comparison to the approved budget for the health sector/ department or ministry?

A. The CQBIR/ CBROP has information on the actual quarterly/ annual recurrent and development expenditure performance for the health sector in comparison to the approved budget/ quarterly budget or previous years' approved budget.

B. The CQBIR/ CBROP has information on the actual quarterly/ annual recurrent and development without comparison to the approved budget/ quarterly budget or previous years' approved budget.

C. The CQBIR has none of the above information.

Guideline: Question 89 asks whether the CQBIR/ CBROP has provided health sector expenditure information for the quarter/ annual, presenting the actual recurrent and development expenditures. Further, providing the approved budget for the current year in CQBIRs and the previous financial year where the CBROP is evaluated.

To answer "A," the CQBIR/ CBROP must provide actual quarterly /actual annual recurrent and development expenditure performance for the health sector/ department or ministry and further give the comparison to the approved budget/ quarterly budget or previous year's approved budget. Choose option "B," where the CQBIR/ CBROP has provided actual
quarterly/actual annual recurrent and development expenditure performance for the health sector with both but does not present the approved budget/ quarterly budget or the previous year's approved budget. Answer "C," where no information on actual recurrent and development expenditure is presented in the CQBIR/ CBROP for the health sector/ department or ministry.

**Source of the Question:** The [County PFM Act 2015 Regulations 54 (2) (b) (iv)](https://www.rupi.net/) "the contents of the report under paragraph (1) shall include expenditures classified in economic classification ...(iv) capital expenditure.

90. **Does the CQBIR/ CBROP present the breakdown of recurrent expenditure to the two major components: personnel emoluments and goods and services with their actual quarterly/ annual/ previous year actual performance for the health sector/ department or ministry with the approved budget comparisons?**

   A. The CQBIR/ CBROP has information on the actual quarterly/ annual expenditure performance for the health sector breakdown of recurrent to personnel emoluments and goods and services compared with the approved budget.

   B. The CQBIR/ CBROP has information on the actual quarterly/ annual expenditure performance for the health sector breakdown of recurrent to personnel emoluments and goods and services without comparison for the approved budget.

   C. The CQBIR/ CBROP has none of the above information.

**Guideline:** Question 90 asks whether the CQBIR/ CBROP has information on the actual quarterly/ annual/ previous year's recurrent expenditure performance breakdown to personnel emoluments and goods & services for the health sector. Further asks whether the budget document presents the approved budget in comparison to the actual figures.

To answer "A," the CQBIR/ CBROP must provide personnel emoluments and goods & services actual expenditure together with the approved budget figures for the quarter/ annual for the health sector. Answer "B," where the CQBIR/ CBROP has provided all the details in option "A" but does not have the approved budget for the comparisons. Pick option "C," where the CQBIR/ CBROP does not present personnel emoluments and goods & services.

**Source of the Question:** The [County PFM Act 2015 Regulations 54 (2) (b) (i) (ii)](https://www.rupi.net/) "the contents of the report under paragraph (1) shall include expenditures classified in economic classification as follows (i) compensation to employees; (ii) use of goods and services."

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38 Good and services is used interchangeably with the operations and maintenance, so where you find the counties presenting then it meets the requirements of the question. Also, compensation to employees and personnel emoluments is similar and counties often provides to meaning the same thing.
91. Does the **CQBIR/ CBROP** present the summary tables of programmes and sub-programmes with the actual expenditure performance for the health sector/ department or ministry?

A. The CQBIR/ CBROP has presented the actual expenditure performance (quarterly/ annual or previous year where CBROP is evaluated) for the programmes and sub-programmes in the health sector/ department or ministry.

B. The CQBIR/ CBROP has presented the actual expenditure performance (quarterly/ annual or previous year where CBROP is evaluated) for the programmes but not the sub-programmes in the health sector/ department or ministry.

C. The CQBIR/ CBROP has presented does not present any of the above information.

**Guideline:** Question 91 asks for the information that counties should present disaggregated below the departmental level means information at the programme and sub-programme level. This question asks whether the CQBIR/ CBROP has presented the Programme level information on the Health Sector.

For the researcher to choose option "A", the approved Programme Based Budget must give all three key details: the coming year's approved expenditure for the programmes and sub-programmes. The information should be presented in the form of a table. Choose option "B", where the approved Programme Based Budget has only provided the information at the programme level but does not present the information at the sub-programme level. Option "C" is picked where no information is provided on programmes and sub-programmes.

**Source of the Question:** The PFM Act 2012 130(1)(b)(v) provides that all estimated expenditures, by vote and by the programme, clearly identify both recurrent and development expenditures. Also, the estimates of expenditure means (a) estimates of expenditure based on programmes and sub-programmes prepared on a three-fiscal year rolling basis, specifying the resources to be allocated and the outcomes to be achieved and outputs to be delivered, the estimates for the first year of every such period of three fiscal years requiring appropriation by the County Assembly.

92. Does the **CQBIR/ CBROP** present the annual approved budget/ quarterly targets or the previous year’s approved budget in comparison with actual expenditure performance at the programme and sub-programme levels?

A. The CQBIR/ CBROP has presented their quarterly/ annual approved budget/ previous year approved budget for the health sector at the programme and sub-programme levels.

B. The CQBIR/ CBROP has presented their quarterly/ annual approved budget/ previous year's approved budget for the health sector at the programme level but not at the sub-programme level.

C. The CQBIR/ CBROP has none of the above information.

**Guideline:** Question 92 asks whether the CQBIR/ CBROP has provided quarterly/
annual/previous year approved budget/ quarterly targets or previous year approved (in the CBROP). This information should be in comparison with the previous question on actual expenditure at a programme and sub-programme levels.

To answer "A" in this question, the CQBIR/ CBROP should present the approved annual budget or quarterly target provided/the previous financial year's approved budget at the programme or sub-programme levels. To choose option "B", where CQBIR/ CBROP has presented the information in option “A” but only limited to the programmes and no such information at the sub-programme level. Pick option "C," where the CQBIR/ CBROP does not present information at the programme and sub-programme levels.

93. Does the CQBIR/ CBROP present the information for non-financial quarterly/ annual actual achievements against targets for the indicators for each sub-programme under each programme for the health sector/ department or ministry?

A. The CQBIR/ CBROP presents actual quarterly/ annual/ previous year achievements with their targets for the indicators for each sub-programme under each programme in the health sector/ department or ministry.

B. The CQBIR/ CBROP presents actual quarterly/ annual/ previous year achievements without their targets for the indicators for each sub-programme under each programme in the health sector/ department or ministry.

C. The CQBIR/ CBROP presents actual quarterly/ annual/ previous year achievements for the non-financial information in the health sector/ department or ministry but cannot be linked to the programmes and sub-programmes.

D. The CQBIR has none of the above information.

Guideline: Question 93 asks whether the CQBIR/ CBROP has provided information on non-financial actual achievements at the quarter/ annual/ previous year for the indicators. This may include details of expected outputs, the planned targets, and actual achievements for the sub-programmes under each programme in the health sector. Further, there should be a comparison with the targets set to be achieved at the end of the year/ implementation period.

To answer "A" in this question, the CQBIR/ CBROP should provide information on the actual targets achieved compared with their quarterly or annual targets/ previous year targets for the indicators for each sub-programmes under each programme. To answer "B," the CQBIR/ CBROP should have information on the actual performance compared and their indicators for each sub-programme at the programme level, but there are comparison targets are not provided. Answer "C," where there is information on the performance of non-financial achievements, but one cannot directly link to the sub-programmes and programmes. But the information must be within the health sector. Choose option "D," where the CQBIR/ CBROP does not present non-information.
Source of the Question: The PFM Act 2012 166(2) (a) requires the personnel costs and goods and services implementation reports to give the non-financial performance of an entity (sector, ministry, departments) and in the County PFM Act Regulations 2015 129 (1).

94. Does the CQBIR/ CBROP present information on the distribution of projects/ activities in the health sector/ department or ministry that are implemented in the current financial year or previous financial year with their actual budget utilized and the status?

A. The CQBIR/ CBROP presents information on the health sector projects/ activities with the specific location where the projects are implemented, their actual costs utilized with a comparison of the approved budget and the status.

B. The CQBIR/ CBROP presents information on the health sector projects/ activities with the specific location where the projects are implemented, and their actual costs utilized with either comparison of the approved budget or the status.

C. The CQBIR/ CBROP presents information on the health sector projects/ activities with specific locations where the projects are implemented, and their actual costs utilized without comparing the approved budget and the status.

D. The CQBIR/ CBROP have no details on projects/ programmes and activities.

Guideline: In question 94, typically, CQBIR/CBROP should present the performance and status of the projects implemented during the current financial year for citizens/ oversight bodies to monitor the progress. Counties should provide key information: specific location, completion status, approved cost, and the actual cost paid for each project.

Answer "A" CQBIR/ CBROP should present all the following four key details: specific location, completion status, approved cost, and the actual cost paid for each project in the health sector. Option "B" is selected where the CQBIR/ CBROP has provided both specific location and actual cost paid for each project and either the completion status or approved cost for the projects in the health. To pick option "C," where the CQBIR/ CBROP has presented only a specific location and actual cost paid for each project but misses two other details on status and approved cost for the project. Choose option "C", where the county provides none of the information required in option "A" in their approved Programme Based Budget.

#End

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