

# Are Kenya Counties Making Budget Documents Available to the Public? A Review of County Websites

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## INTRODUCTION

Since 2015, the International Budget Partnership Kenya (IBPK) has conducted a bi-annual study of the public availability of key budget documents in Kenya's 47 counties.<sup>1</sup> During the research period, IBPK looks at official county government websites (including county assembly websites) to assess the availability of key county budget documents that should have been made available to the public during the four stages of the budget process: formulation, approval, implementation, and evaluation.

In this round of analysis, we searched for seven budget documents that should have been published and publicized on county government websites between July 1<sup>st</sup>, 2018 and January 31<sup>st</sup>, 2019:

1. **Approved Program Based Budget 2018/19;**
2. **Citizen Budget (Enacted Budget) 2018/19;**
3. **Annual Development Plan (ADP) 2019/20;**
4. **County Budget Review and Outlook Paper (CBROP) 2018;**
5. **Quarterly Budget Implementation Report for the First Quarter of 2018/19;**
6. **Quarterly Budget Implementation Report for the Second Quarter of 2018/19;**
7. **Finance Act 2018.**

We conducted our initial assessment of the online availability of these documents between 12-15 February 2019. We shared the initial findings with all 47 counties to give them an opportunity to assess the accuracy of our research. We then conducted a final assessment between 5-18 March 2019 (see Annex 1).

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<sup>1</sup> <http://www.internationalbudget.org/budget-work-by-country/ibps-work-in-countries/kenya/understanding-county-budgets/tracking-county-budget-information-kenya/>

# PURPOSE OF THE SEVEN KEY BUDGET DOCUMENTS

## APPROVED COUNTY PROGRAM-BASED BUDGET ESTIMATES

The Public Finance Management (PFM) Act stipulates that from the financial year 2014/15 onwards counties should prepare their budgets in a program-based format. The approved Program-Based Budget (PBB) is a critical document – when read together with county budget implementation reports, citizens can track budget implementation against approved expenditure during the course of the year. PBBs also give the public an opportunity to see how the county assembly amended the proposed budget during the approval process. PBBs also provide details on approved spending within sectors, giving programs and sub-programs spending with their objectives as well as spending on staffing and the purchase of goods and services. These spending may change within the year if the need for a supplementary budget arises.

## CITIZENS BUDGET (ENACTED BUDGET)

The Budget Estimates are published in a format that may be difficult for ordinary citizens to understand, so counties are required to summarize their budget proposals into a Citizens Budget – a shorter, less technical version of the budget that gives the public a general overview of the county’s revenue and spending priorities. Regulation 6 (2) in the County Public Finance Regulations, 2015 requires counties to also publish simplified versions of the Budget Estimates for effective public participation. While Citizens Budgets are an effective tool to inform the public of approved revenue and expenditure, citizens versions of budget documents should be developed for all budget documents throughout the budget cycle.

## ANNUAL DEVELOPMENT PLAN (ADP)

The PFM Act sets the Annual Development Plan (ADP) as the document that anchors county annual budgets. In a sense, the ADP is a one-year extract of the five-year County Integrated Development Plan (CIDP) that describes how the county government is responding to current and emerging economic issues. Thus, if citizens want to know what to look for in the budget, they should start with the CIDP, then the ADP, and then the Budget Estimates. ADP’s should be published and publicized within one week of tabling in the county assembly (1 September).

## COUNTY BUDGET REVIEW AND OUTLOOK PAPER (CBROP)

The County Budget Review and Outlook Paper (CBROP) reviews the performance of actual budget implementation during the previous fiscal year. The CBROP also gives updated economic indicators for budget performance in the current fiscal year with provisional ceilings for the coming fiscal year, allowing the public to understand

government priorities and permitting government departments to prepare their proposals for the upcoming budget. The law requires the CBROP be tabled in the county assembly by late October – per the county PFM regulations it should be made public by 28 October, in line with regulation 7(3).

## **FIRST (1ST) AND SECOND (2ND) QUARTER BUDGET IMPLEMENTATION REPORTS**

The budget debate should not end when the Budget Estimates are approved. Counties should prepare and publish quarterly Budget Implementation Reports containing financial and non-financial information that the public can review to monitor if money is being spent as planned. The reports should review whether the departments and the programs within them are implementing the budget as expected. The goal is to highlight the progress made and rectify problems while the budget is being implemented, rather than assigning blame after the year is over. These reports also help guide budget formulation for the coming fiscal year. Quarterly Budget Implementation Reports should be published one month after the end of the quarter. Based on the budget calendar, all counties should have published their first and second quarter budget implementation reports for FY 2018/19 by 31 October 2018 and 31 January 2019 respectively. It should be noted that the quarterly Budget Implementation Reports counties are required to publish are different from the Controller of Budget's county Budget Implementation Reports which are published 15 days after counties publish theirs.

## **FINANCE ACT**

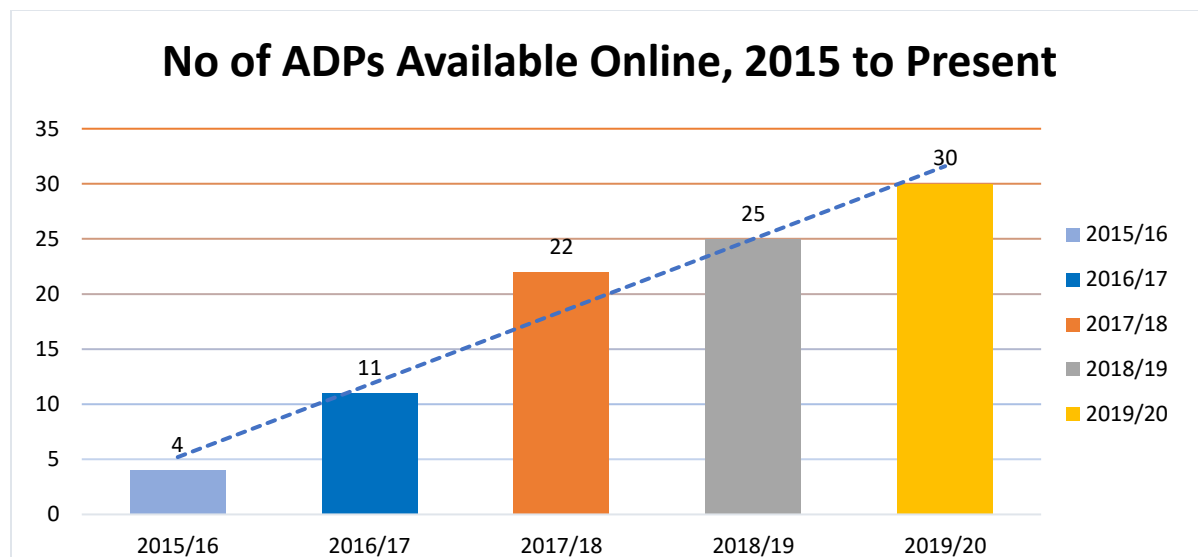
The Finance Act lays out county governments' plans to collect revenue that will meet their expenditure targets for the financial year. These measures are mainly efforts to streamline or increase efficiency in the collection of certain taxes, levies, or service charges. County Finance Acts are supposed to be approved within 90 days of the approval of the Appropriation Bill which is supposed to be done by 30 June. Both levels of government are supposed to approve their finance bills by 30 September. Once approved, Finance Acts enable county governments to raise revenue through taxes, fees, charges, and any other receipts on businesses, commercial activities, and use of services and facilities offered by county government.

# WHAT DID WE FIND?

## ANNUAL DEVELOPMENT PLAN (ADP) 2019/20

In our final assessment, 30 counties had published Annual Development Plans (ADPs) for 2019/20 online. This was a slight improvement from our [September 2018](#) study, where 25 ADPs for 2018/19 were available online. The final total of 30 ADPs represents a 20 percent increase from our initial assessment in February 2019, where 25 ADPs were available online. This demonstrates that several counties responded to our initial findings by publishing their ADP online, albeit much later than the legally required date. As Figure 1 illustrates, the number of counties publishing ADPs has been growing steadily since our initial assessment in 2015/16.

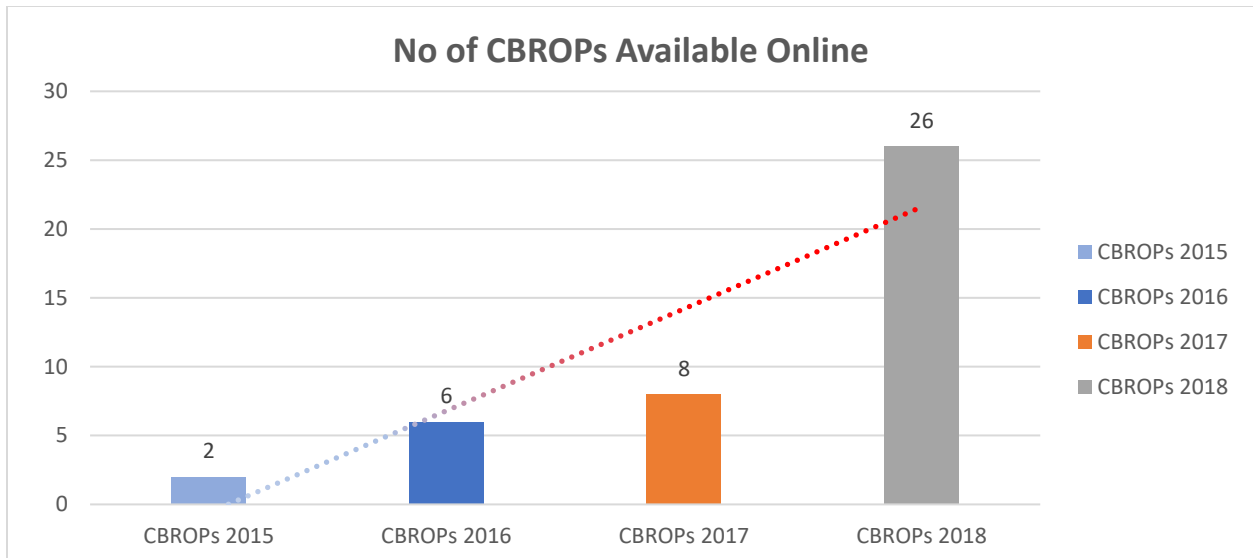
**FIGURE 1: ANNUAL DEVELOPMENT PLANS (ADPS) PUBLISHED BY COUNTIES FROM FY 2015/16 TO FY 2019/20**



## COUNTY BUDGET REVIEW AND OUTLOOK PAPER (CBROP) 2018

County Budget Review and Outlook Papers were the second most published documents assessed in this study. We found 26 CBROPs in the final assessment in March, a significant increase from just eight CBROPs that were published online in 2017. This represents a commendable three-fold improvement in the number of CBROPs that were available to the public between 2017 and 2018. The final total of 26 CBROPs also represents a 13 percent increase from our initial assessment in February 2019, where 23 CBROPs were available online.

FIGURE 2: CBROPs PUBLISHED ONLINE FROM 2015 TO 2018

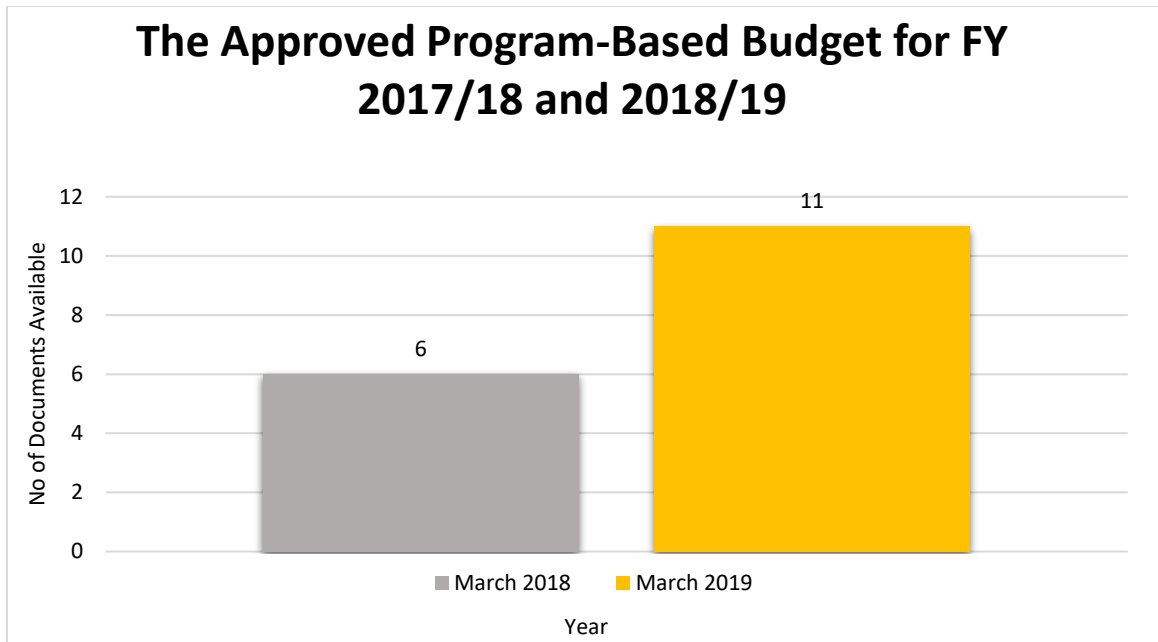


## APPROVED PROGRAM-BASED BUDGET (PBB) 2018/19

The study found a total of 11 counties had their approved program-based budget (PBB) for the financial year 2018/19 published online. All counties are required by the law to produce their budgets in a program-based format. Counties can publish line-item budgets as additional supporting documentation, but not as a substitute for PBBs. We found that Mandera, Marsabit, Meru, and Vihiga counties published approved line-item budgets, but no PBBs.

During the last assessment done in [March 2018](#), only six approved program-based budget documents were available online. Therefore, the number has almost doubled over the two periods as shown in the Figure 3:

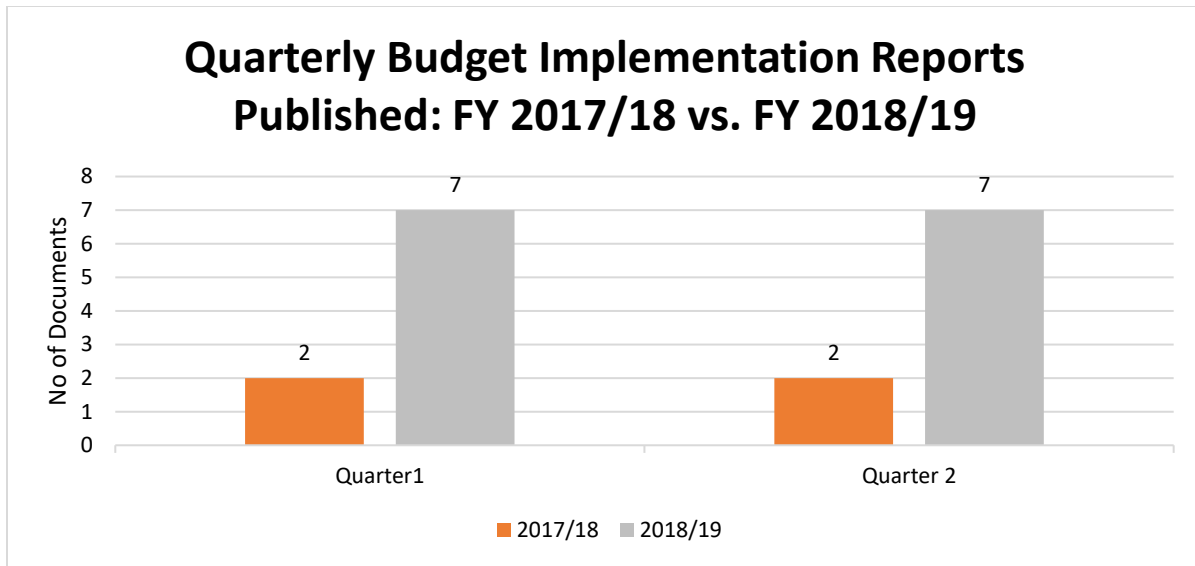
FIGURE 3: APPROVED PROGRAM-BASED BUDGET COMPARING MARCH 2018 AND MARCH 2019 DOCUMENTS PUBLISHED ONLINE



### FIRST AND SECOND QUARTER BUDGET IMPLEMENTATION REPORTS 2018/19

First and second quarter Budget Implementation Reports for financial year 2018/19 were the least published budget documents on county websites. Seven counties made first quarter reports available, and seven counties made second quarter reports available. While this was an improvement compared to the number of quarterly Budget Implementation Reports found in our [March 2018 study](#) (where only two documents for each quarter were published online), the number of budget implementation reports that counties are publishing is still very low.

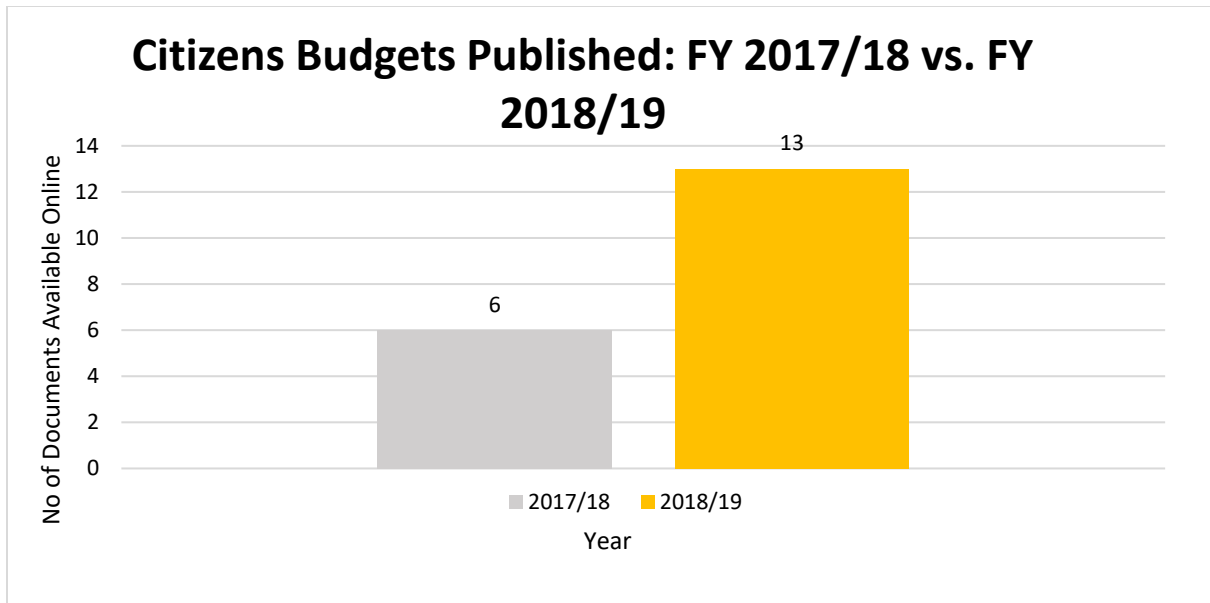
**FIGURE 4: QUARTERLY BUDGET IMPLEMENTATION REPORTS (Q1 AND Q2) PUBLISHED IN FY 2017/18 AND FY 2018/19**



### CITIZENS BUDGETS 2018/19

In our final assessment in March, we found 13 counties had published Citizens Budgets online. This was an improvement compared to the last study, where only 6 counties published Citizens Budgets 2017/18. After our initial February assessment, only one county published a Citizens Budget before our final assessment in March (see Annex 1). Despite this improvement, more needs to be done since the Citizens Budget is one of the enabling documents for public participation. Counties are also encouraged to produce citizens versions of all budget documents to further enable public participation.

FIGURE 5: CITIZENS BUDGETS PUBLISHED IN FY 2017/18 VS. FY 2018/19



## FINANCE ACT 2018

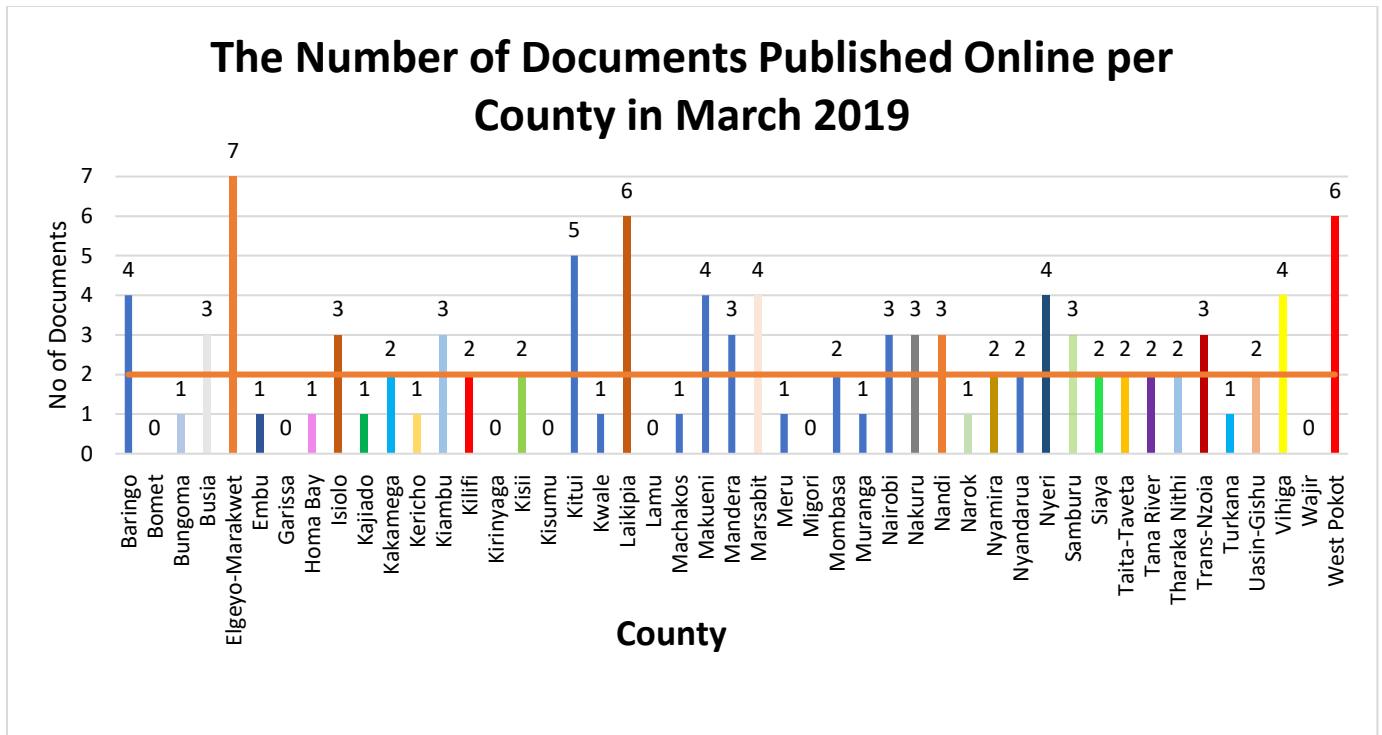
This was the first study that assessed the availability of the approved Finance Acts 2018. Nevertheless, it was the second least published document after quarterly Budget Implementation Reports, with only 10 publicized approved Finance Acts available on county websites. During the initial assessment in February, there were six Finance Acts published; this number increased to 10 for our final assessment in March.

## OVERALL COUNTY PERFORMANCE

We continue to see a gradual improvement in the number of budget documents that counties are publishing on their websites. However, challenges around the publication of Budget Implementation Reports remain. Furthermore, 28 out of 47 counties published fewer than three of seven total budget documents. Figure 6 illustrates the number of budget documents published by each county during the assessment period.

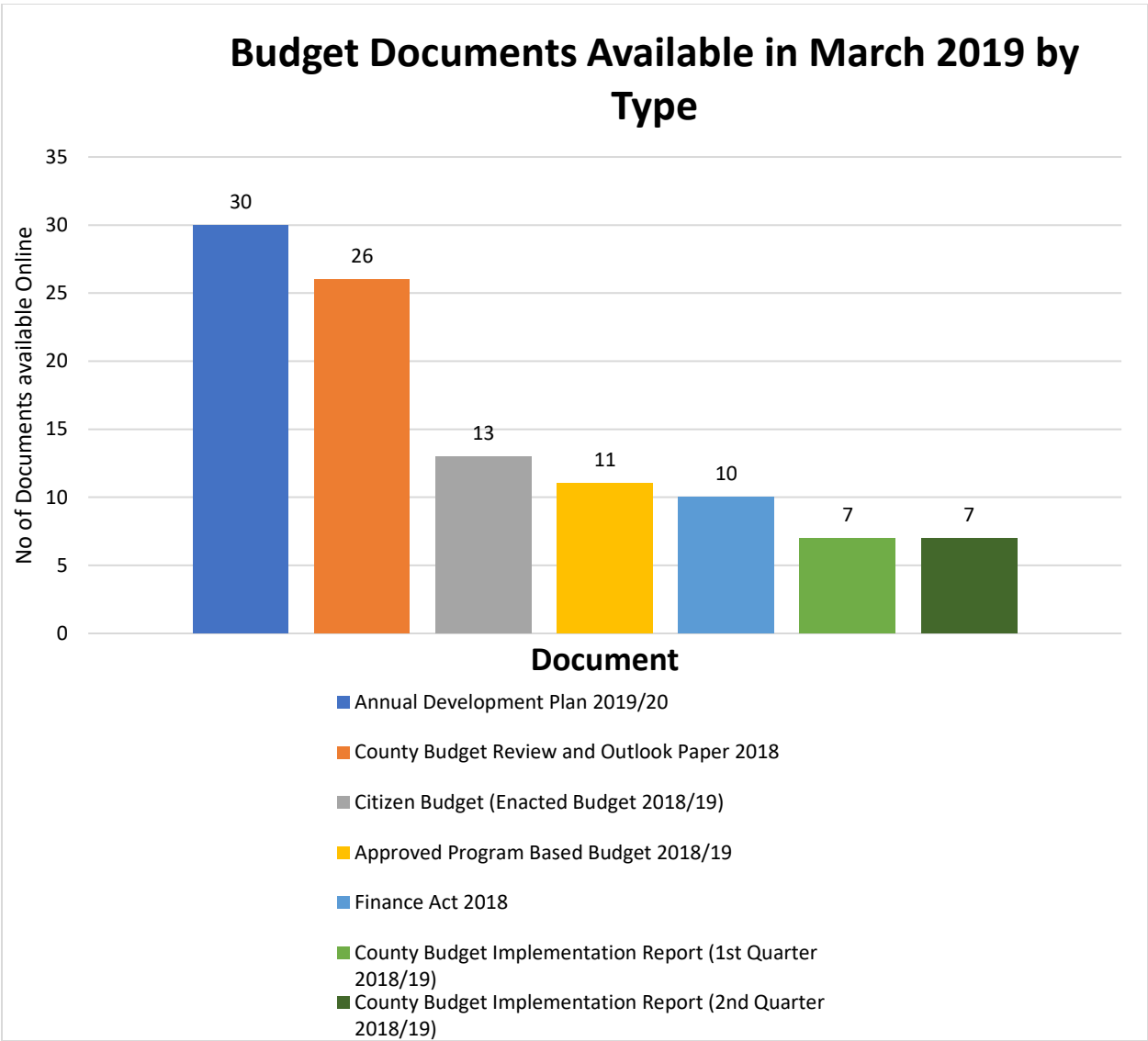


FIGURE 6: TOTAL NUMBER OF BUDGET DOCUMENTS PUBLISHED ON KENYA COUNTY WEBSITES AS OF MARCH 2019



Commendably, **Elgeyo Marakwet County** published all 7 documents online. Counties that published more than half of the required documents during the period of assessment were Laikipia and West Pokot (6 documents each), Kitui (5 documents), and Baringo, Makueni, Marsabit, Nyeri, and Vihiga (4 documents each). Bomet, Garissa, Kirinyaga, Kisumu, Lamu, Migori, and Wajir did not publish any of the documents that were under assessment.

**FIGURE 7: THE NUMBER OF DOCUMENTS PUBLISHED ONLINE BY ALL 47 COUNTIES IN MARCH 2019 BY TYPE**



As Figure 7 shows, there is a need for counties need to be more proactive in publishing and publicizing key budget documents on their websites, especially those related to monitoring implementation - particularly the counties that did not publish any documents. In addition, county governments should educate their citizens and encourage them to make use of these documents to improve public participation and make the engagements more effective.

It is important to note that some counties published line-item budgets, yet the law requires an Approved Program Based Budget (PBB) that is organized around a set of programmes with clear objectives, indicators, priorities, programs, and sub-programs including clear linkages to the County Integrated Development Plans or Annual

Development Plans. If the county assembly decides to make any amendments to PBBs during the approval stage, the proposed targets, indicators, and priorities of the programs and sub-programs will shift. When PBBs aren't published, the public will be uninformed of these amendments.

Quarterly Budget Implementation Reports should be another area of focus for counties, as this document provides the public with information on how the approved Program Based Budget is being implemented and changes made to the budgets. Accessing information on budget implementation remains a challenge in Kenya's counties, and it is not clear whether the documents are being produced but not publicized, or if they are not being produced at all.

In the initial assessment, 32 percent of the expected total documents were published and publicized on county websites. After sharing those results with the 47 Counties, the number of documents on county websites went up by 27 percent at the end of the final assessment. In other words, 22 more documents were published on county websites in the time period between our initial and final assessments. Another point worth noting: 11 counties responded to the initial assessment results by publicizing their documents, namely Marsabit, Laikipia, and Elgeyo Marakwet with four, four, and three documents respectively.

## CONCLUSION

Compared to previous studies, this study presents a notable improvement in the availability of Kenya county budget formulation documents available online. County Budget Review and Outlook Papers (CBROPs) had the most remarkable growth, but the first and second quarter Budget Implementation Reports were an exception: only five out of 47 counties published both reports while four counties published one or the other.

While the results of this study represent improvement that should be cause for celebration, only 32 percent of the expected total documents were published. More importantly, some documents were no longer available our assessment, such as Kitui Quarter 1 and Quarter 2 Implementation Reports and CBROPs from Narok and Trans Nzoia counties. Once counties publish these documents, they should not pull them down after the assessment. Documents for past years should be readily available on county websites for public reference. For the public to understand the decisions being made by governments, and justifications for different priorities funded in county budgets, citizens need access to budget information. There is still a lot that Kenya's counties need to do to facilitate this.

# ANNEX 1: COMPARISON OF DOCUMENTS AVAILABLE TO PUBLIC ON INITIAL AND FINAL ASSESSMENT

**Comparing the Initial (February 2019) and Final (March 2019) Assessment of Documents Published Online**

