

# Are Counties Making Budget Formulation Documents Available to the Public? A Review of County Websites | July 2016

## BACKGROUND

This analysis builds on our previous assessments of county budget transparency released over the past year and a half<sup>1</sup>. These analyses look at official county government websites to assess the availability of key county budget documents that should have been made available to the public in the course of formulating and implementing the budget each year.

Counties were meant to table their 2016/17 Budget Estimates in their respective assemblies by April 30, 2016. The Public Finance Management (PFM) Act says that these should be made available to the public as soon as practicable after tabling. While there is no firm deadline for this, the spirit of the PFM Act is that citizens should be able to review these estimates and provide their views to the budget committee in the county assemblies. The Act also requires the assemblies to hold public hearings before tabling any amendments to the budget. Given that assemblies must hold these hearings prior to approving the budget by June 30, they have traditionally been held in May. Even if these hearings are held in June, however, it would seem that any county that did not make budget estimates available to the public within a month of the tabling (by end of May) is not meeting the spirit of the PFM Act and is failing to give citizens enough time to review and comment on these documents.

With this in mind, we assessed the online availability of budget documents necessary for formulation of the 2015/16 budget during the first week of July 2016. We searched for five documents: The Annual Development Plan 2016/17 (released by the end of September 2015), the County Fiscal Strategy Paper 2016 (released by the end of March 2016), the Quarterly Budget Implementation Report for the third quarter of 2015/16 (released by the end of April 2016), the Budget Estimates 2016/17, and the Citizens Budget 2016/17.

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

# PURPOSE OF THE KEY BUDGET FORMULATION DOCUMENTS

## ANNUAL DEVELOPMENT PLANS

As per the County Governments Act, all budgets must be based on plans. The PFM Act sets the Annual Development Plan as the main plan to anchor the budget. It should be published within one week of tabling in the county assembly (within one week of September 1).

## COUNTY FISCAL STRATEGY PAPERS

The most important budget formulation document, the County Fiscal Strategy Paper (CFSP) sets out the total size of the budget, the sector ceilings (e.g., how much for education versus health), and identifies key priorities. It should be published within one week of tabling in the county assembly (within one week of February 28).

There is some confusion over what this document should be named prior to it being approved by the assembly. A CFSP is no longer a “draft” once it is sent to the assembly, yet many counties publish CFSPs with the word “draft” in the title. This makes it difficult to know if the document is the final version. In this assessment, apart from documents marked “draft for comments” (as in Kitui county), we have counted “draft” CFSPs as being available. However, in future we may tighten this requirement to ensure that available documents are the final, tabled versions and not incomplete drafts.

## QUARTERLY IMPLEMENTATION REPORTS (THIRD QUARTER)

This is a key document as it informs us how well we have done in implementing the current budget so far during the year. When considering which areas should get more money in the coming year, we need to know which sectors have been able to spend and which have not. It should be published within one month of the end of the quarter (within one month of March 30).

## BUDGET ESTIMATES (PROPOSED BUDGETS)

The budget proposal from the county executive is the culmination of all the other documents and is the place where program and item level decisions are taken that must be reviewed by the public and assembly before approval. It should be published as soon as practicable after tabling. We have continued to accept budgets that do not meet the minimum standards for a program-based budget, but we will stop accepting any budget that falls short of the minimal requirement to be in a program-based format in the next round.

## CITIZENS BUDGETS

County budget proposals are often written in technical language and may be difficult for ordinary citizens to understand. Budget proposals should be summarized into shorter, less technical versions that give the public a general view of each county's revenue and spending priorities. The Citizens Budget document is a key input for effective public hearings and is required by the 2015 regulations governing the PFM Act.

This is the first time we are assessing the Citizens Budget. In the next round, we will begin to set minimum standards for what should appear in this document.

## WHAT DID WE FIND?

### 2015/16 ANNUAL DEVELOPMENT PLANS

As of mid-July, just 11 out of 47 counties had published their 2016/17 Annual Development Plans online. This is an improvement from the four counties that we found published the document last year.

### 2016/17 COUNTY FISCAL STRATEGY PAPERS

As of mid-July, 21 counties had published their 2016/17 County Fiscal Strategy Papers online. This is a slight improvement from the 18 CFSPs that we found last year.

### 2015/16 QUARTERLY IMPLEMENTATION REPORTS

As of mid-July, not a single county had published its quarterly Budget Implementation Report for the third quarter of 2015/16. This continues to be an area of exceptionally poor performance by counties.

### 2016/17 BUDGET ESTIMATES (PROPOSED BUDGETS)

As of June 30th, only 22 counties had made their Budget Estimates available online. This is a slight improvement from the 14 counties that published budget estimates last year. A few counties only published line-item budgets, though they are now required by law to produce program-based budgets.

## CITIZENS BUDGETS

Only Nyamira county published a summarized version of its budget on its website. This 12 page summary was not marked as a Citizens Budget, but we included it in this round.

## CONCLUSION

Counties are still not making key documents available online in a timely fashion. Some counties have made progress, but it is a legal requirement that all counties make all of these documents available.

With the exception of the Budget Estimates, there are clear deadlines for publishing each document in the law. The PFM Act regulations require all budget documents, including Budget Estimates, to be published within a week of tabling in county assemblies. Even when counties release information, they are frequently not meeting these legally mandated deadlines. Unless this changes, citizens will not be able to participate effectively in the budget process as they are intended to do under the constitution and the PFM Act.