

International Budget Partnership
OPEN BUDGET QUESTIONNAIRE

KENYA

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Section One: The Availability of Budget Documents

Table 1. Budget Year of Documents Used in Completing the Questionnaire

Please indicate the budget year of the document used to complete the questionnaire. If the document is not available to the public, please state, "Not Available."

Budget Documents Used in Completing the Questionnaire	
<i>As explained in the guide to the questionnaire, documents from a variety of fiscal years are referred to throughout the questionnaire. Please indicate below for which fiscal year responses to questions relating to each report or experience were based on.</i>	
	Budget Year Used
Pre-Budget Statement	2007/2008
Budget Summary	2007/2008
Executive's Budget Proposal	2007/2008
Supporting Budget Documents	2007/2008
Citizens Budget	Not Available
Enacted Budget	2006/2007
In-Year Reports	2006/2007
Mid-Year Report	Not Available
Year-End Report	2006/2007
Audit Report	2006/2007

Table 2. Key Budget Documents Used: Full Titles and Internet Links

Please provide the full title, date and Internet link for all documents to be cited in Sections 2 & 3.

If an Internet link is not available for the document, please indicate one of these three answers: “Not Produced,” “Produced but Not Available to the Public,” “Publicly Available, but Not on the Internet.”

Budget Document	Full Title, Date, and Internet Link
Pre-Budget Statement	<p>Budget Strategy Paper 2007/08-Released to the public on June 2007 http://www.treasury.go.ke/downloads/BSP_June_2007.pdf</p> <p>Budget Outlook Paper (BOPA) 2007/2008- Released to the public on January 2007.</p>
Budget Summary	<p>Budget Speech 2007/2008-Read on 14th June 2007 http://www.treasury.go.ke/budget_documents/budget_speech_2007.pdf</p>
Executive’s Budget Proposal	<p>Public Recurrent and Development Expenditure Estimates 2007/2008- Released to the public on 14th June 2007 Publicly available but not on the internet</p> <p>Estimates of Revenue 2007/2008-Released to the public on 14th June 2007 and found at www.treasury.go.ke/budget_documents/estimates_of_revenue_2007.pdf</p>
Budget Document One in Support of the Executive’s Budget Proposal	<p>Financial Statement 2007/08- Released to the public on 14th June 2007 http://www.treasury.go.ke/budget_documents/financial_statement_2007.pdf</p>
Budget Document Two in Support of the Executive’s Budget Proposal	<p>Finance Bill 2007/08- Released to the public on 14th June 2007 Publicly available but not on the internet</p>
Budget Document Three in Support of the Executive’s Budget Proposal	<p>Estimates of Revenue 2007/2008- Released to the public on 14th June 2007 and found at www.treasury.go.ke/budget_documents/estimates_of_revenue_2007.pdf Statistical Annex to the Budget Speech 2007/08- Released to the public on 14th June 2007: http://www.treasury.go.ke/budget_documents/statistical_%20annexe.pdf</p>

Citizens Budget	Not Produced
Enacted Budget	Estimates of Recurrent and Development Expenditure 2007/2008
In-Year Reports	<p>Quarterly Economic and Budgetary Review-Second Quarter 2006/2007 March 2007 Edition http://www.treasury.go.ke/downloads/qbrdec2006.pdf</p> <p>Quarterly Economic and Budgetary Review-First Quarter 2006/2007, December 2006 http://www.treasury.go.ke/downloads/qbr_1stqtr_06_07_december.pdf</p> <p>Monthly Economic Reviews produced by Central Bank of Kenya</p> <p>1. Monthly Economic Review-August 2007 found at http://www.centralbank.go.ke/downloads/publications/mer/aug07.pdf</p> <p>2. Monthly Economic Review-July 2007 found at http://www.centralbank.go.ke/downloads/publications/mer/july07.pdf</p> <p>3. Monthly Economic Review-June 2007 found at http://www.centralbank.go.ke/downloads/publications/mer/june07.pdf</p>
Mid-Year Review	Not Produced

Year-End Report	The Fourth Quarter: Quarterly Economic and Budgetary Review 2006/2007 August 2007 Edition http://www.treasury.go.ke/downloads/QEBR_june_2007.pdf
Audit Report	Fiscal Audit Report 2006/2007 found at http://www.kenao.go.ke/Reports_CG/Report2007.pdf
Other Documents	<p>Estimates of Revenue 2007/08 http://www.treasury.go.ke/budget_documents/estimates_of_revenue_2007.pdf</p> <p>The MTEF Budget Cycle http://www.treasury.go.ke/downloads/MTEFBudgetCycle.pdf</p> <p>Economic Recovery Strategy Paper for Wealth and Employment Creation(ERSWEC) 2003-2007, http://www.planning.go.ke/publication/economic_recovery_plan.pdf</p>
Relevant Ministries & Departments	<p>Ministry of Finance http://www.treasury.go.ke</p> <p>Ministry of State for Planning, National Development and Vision 2030 http://www.planning.go.ke</p> <p>Kenya Revenue Authority http://www.kra.go.ke</p> <p>Kenya National Bureau of Statistics http://www.knbs.go.ke</p> <p>Kenya National Audit Office http://www.kenao.go.ke</p> <p>Central Bank of Kenya http://www.centralbank.go.ke</p>

Table 3. Distribution of Documents Related to the Executive’s Budget Proposal

DISTRIBUTION OF BUDGET DOCUMENTS						
<i>For the following reports, place “Yes” in the appropriate row below to indicate if the report is:</i>						
	Pre-budget	Executive’s Budget Proposal				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
A. Not produced, even for internal purposes						Yes
B. Produced for internal purposes, but not available to the public						
C. Produced and available to the public, but only on request		Yes			Yes	
D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)	Yes		Yes	Yes		
<i>For budget reports that are produced and distributed to the public, what steps does the executive take to distribute these reports and to promote interest in them? For each characteristic, mark “Yes” if yes, “No” if no, or “NA” if Not Available.</i>						
	Pre-budget	Executive’s Budget				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
1. The release date is known at least one month in advance	Yes	Yes	Yes	Yes	Yes	NA
2. Advance notification of release is sent to users, media	Yes	Yes	Yes	Yes	Yes	NA
3. Released to public same day as official release to media	Yes	Yes	Yes	Yes	Yes	NA
4. Available on the Internet free of charge	Yes	No	Yes	Yes	No	NA
5. Free print copies available, limited distribution	Yes	Yes	Yes	Yes	Yes	NA
6. Free print copies available, mass distribution	No	No	No	No	No	NA
7. Readily available outside capital and/or big cities ⁺	No	No	No	No	No	NA
8. Written in more than one language	No	No	No	No	No	NA
9. News conference is held to discuss release	Yes	Yes	Yes	Yes	Yes	NA

*A budget summary should be a stand-alone document, which could include a budget speech or a separately published executive summary.

⁺Mark “Yes” if access by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.

Table 4. Distribution of the Enacted Budget and Other Reports

DISTRIBUTION OF ENACTED BUDGET AND OTHER REPORTS					
<i>For the following reports, place a “Yes” in the appropriate row below to indicate if the report is:</i>					
	Enacted budget	In-year reports	Mid-year review	Year-end report	Audit report
A. Not produced, even for internal purposes			Yes		
B. Produced for internal purposes, but not available to the public					
C. Produced and available to the public, but only on request					
D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)	Yes	Yes		Yes	Yes
<i>For budget reports that are produced and distributed to the public, what steps does the executive take to distribute these reports and to promote interest in them? For each characteristic, mark “Yes” if yes, “No” if no, or “NA” if Not Available.</i>					
	Enacted budget	In-year reports	Mid-year review	Year-end report	Audit report
1. The release date is known at least one month in advance	No	Yes	NA	Yes	Yes
2. Advance notification of release sent to users, media	No	No	NA	No	Yes
3. Released to public same day as official release to media	Yes	No	NA	Yes	Yes
4. Available on the Internet free of charge	No	Yes	NA	Yes	No
5. Free print copies available, limited distribution	Yes	Yes	NA	Yes	Yes
6. Free print copies available, mass distribution	No	No	NA	No	No
7. Readily available outside capital/big cities ⁺	No	No	NA	No	No
8. Written in more than one language	No	No	NA	No	No
9. News conference is held to discuss release	No	No	NA	No	No

⁺Mark “Yes” if access is available by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.

Section Two: The Executive's Budget Proposal

Notes on abbreviations:

BY = budget year (year for which the budget proposals are being made)

BY+1 = one year beyond the budget year

BY-1 = one year before the budget year

Please mark your answer by placing the appropriate letter in the box to the right of the question. For all answers marked "not applicable/other," please provide a brief explanation indicating either why the answer choices provided are not applicable or why another response would be more appropriate.

The Executive's Budget Proposal	
Estimates for the Budget Year and Beyond	
<p>1. Does the executive's budget or any supporting budget documentation present expenditures for the budget year that are classified by administrative unit (that is, by ministry, department, or agency)?</p> <ol style="list-style-type: none"> All expenditures are classified by administrative unit. Expenditures are classified by administrative unit, but some small units are not shown separately. Expenditures are classified by administrative unit, but a significant number of units are not shown separately. No expenditures classified by administrative unit are presented. Not applicable/other (please comment). <p><u>Citation:</u> Annual Printed Estimates of Expenditure 2007/08 found at the Government Printer, Nairobi, Kenya.</p> <p><u>Comment:</u> There was a switch in 2005/06 to a new economic classification (grouping expenditure data by common input) but each ministry's lump sum allocation is still shown. Expenditures on pensions, domestic interests, foreign interests, repayment of foreign debts and securitization of bills are also shown. The classification by ministries shows both recurrent and development expenditure with overlapping inputs so the analysis of economic classification is only approximate. It provides up to the item level but not the sub-item level.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> All expenditures are classified by administrative unit – examples are that vote titles include Ministry of Transport or State Law Office p. v of Estimates of Development Expenditure 2007/08. Another example is Office of the Commission p.676 under Ministry of Cooperative Development and Marketing of the same publication.</p>	a

<p>2. Does the executive’s budget or any supporting budget documentation present expenditures for the budget year that are classified by functional classification?</p> <ul style="list-style-type: none"> a. All expenditures are classified by functional classification, and the categorization is compatible with international standards. b. All expenditures are classified by functional classification, but the categorization is not compatible with international standards. c. Some, but not all, expenditures are classified by function. d. No expenditures classified by function are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Annual Printed Estimates of Expenditure 2007/08 found at the Government Printer, Nairobi, Kenya</p> <p><u>Comment:</u> Some but not all expenditure are classified by function. The adoption of functional classification is being considered in the ongoing reform discussions under the government Public Finance Reform Strategy.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> This is correct. In addition, examples of functional classification in Estimates of Expenditure (referred to in question 1 in this section) is Kenya Dairy Development Program p. 462.</p>	<p>C</p>
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<p>3. Does the executive’s budget or any supporting budget documentation present expenditures for the budget year that are classified by economic classification?</p> <ul style="list-style-type: none"> a. All expenditures are classified by economic classification, and the categorization is compatible with international standards. b. All expenditures are classified by economic classification, but the categorization is not compatible with international standards. c. Some, but not all, expenditures are classified by economic classification. d. No expenditures classified by economic classification are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Annual Printed Estimates of Expenditure 2007/08 found at Government Printer, Nairobi, Kenya</p> <p><u>Comment:</u> The government of Kenya adopted the International classification of Government Statistics referred to as Government Finance Statistics (GFS) in its 2005/06 financial year, which is compatible with international standards. This economic classification of revenue and expenditure seeks to harmonize presentation, accounting and reporting of government budget data at international level. The only problem with this classification is that citizens, civil society organizations and even Members of parliament have been complaining that it does not clearly show where resources have been allocated.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
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<p>4. Does the executive’s budget or any supporting budget documentation present expenditures for individual programs for the budget year?</p> <ol style="list-style-type: none"> Program-level data are presented for all expenditures. Program-level data are presented for at least two-thirds of, but not all, expenditures. Program-level data are presented, but for less than two-thirds of expenditures. No program-level data are presented. Not applicable/other (please comment). <p><u>Citation:</u> Budget Speech 2007/2008 page 13 found at http://www.treasury.go.ke/downloads/Budget_Speech_2007.pdf Annual Printed Estimates of Expenditure 2007/08 found at Government Printer, Nairobi, Kenya.</p> <p><u>Comment:</u> The government has begun entrenching program-based performance budgeting starting with the 2007/08 financial year and this will facilitate resource tracking and monitoring. Once fully adopted, it will make impact evaluation much easier for the government and other research organizations dealing with budget issues. In addition, it will ensure that budgetary allocations are based on programs that are linked to clearly specified objectives and targets. (The answer selected demonstrates an improvement from 2006 Round of research.)</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Yes, all expenditures have a degree of program representation if programs are understood as per the IBP guidelines. And if this is the case, programs will include the following examples; the Ministry of Water and Irrigation development budget estimates 2007/08, include the ‘following lines’ Water Services Trust Fund, Integrated ASAL programs, construction of sewerages, water resources – pollution control, water conversation and dam construction. However it is important to note that this is primarily the case for the water, health, education, livestock and agriculture budgets. For trade, industry, justice etc. there are no clearly distinguishable programs, per se.</p>	<p>b</p>
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<p>5. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for a multi-year period (at least two years beyond the budget year)?</p> <p>a. Yes, multi-year estimates of aggregate expenditure are presented. b. No, multi-year estimates of aggregate expenditure are not presented. c. Not applicable/other (please comment).</p> <p><u>Citation:</u> Annual Printed Estimates of Expenditure 2007/2008 found at the Government Printer, Nairobi, Kenya.</p> <p><u>Comment:</u> The government adopted the Medium Term Expenditure Framework (MTEF) approach to budgeting in 2000/2001 financial year. The Printed Estimates of expenditure and estimates of revenue normally include estimates for two years beyond the budget year and one year preceding the budget year. Multi-year estimates of aggregate expenditure are thus presented but they are not always very accurate. The Public Expenditure Review 2007 attributes this inaccuracy of estimates for the two forward MTEF years to lack of seriousness in their preparation and calls for costing for the two forward years to be institutionalized in Sector Working Group Reports.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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<p>6. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover a multi-year period (for at least two years beyond the budget year)?</p> <ol style="list-style-type: none"> a. Yes, multi-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative). b. Yes, multi-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs. c. Yes, multi-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs. d. No, multi-year estimates are presented for aggregate expenditure only, or they are not presented at all. e. Not applicable/other (please comment). <p><u>Citation:</u> Annual Printed Estimates of Expenditure 2007/08, Government Printer, Nairobi, Kenya.</p> <p><u>Comment:</u> Multi-year expenditure estimates are provided for all individual programs and for administrative expenditures. Programs that are to come to an end will show a dash in the outer two years.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
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<p>7. Does the executive's budget or any supporting budget documentation identify the different sources of tax revenue (such as income tax or VAT) for the budget year?</p> <ol style="list-style-type: none"> a. All sources of tax revenue are identified individually. b. Sources of tax revenue amounting to at least two-thirds of, but not all, tax revenues are identified individually. c. Sources of tax revenue amounting to less than two-thirds of all tax revenues are identified individually. d. No sources of tax revenue are identified individually. e. Not applicable/other (please comment). <p><u>Citation:</u> Finance Bill 2007/2008, Government Printer, Nairobi, Kenya.</p> <p><u>Comment:</u> The Finance Bill is tabled in parliament by the Minister for Finance together with estimates of expenditure and revenue. It contains proposals on how the government intends to raise funds to finance the budget through tax laws. It identifies different sources of tax revenue. The Finance Bill tabled and discussed in parliament culminates in Finance Act that identifies and also amends various laws relating to various taxes and duties.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> The other two supporting documents that identify the different sources and amounts of tax revenue include the Estimate of Revenue 2007/08, Government Printer, Nairobi, Kenya which gives a breakdown of different sources of revenue. In addition, the Financial Statement 2007/08 contains a summary of revenue proposals as reflected in the Finance Bill. Indeed, the Finance Bill contains proposals of how the government intends to raise monies to finance the budget, changes to tax rates, tax, and money and finance laws — for instance, the Banking Act, in which one could identify sources of tax revenue.</p>	a
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<p>8. Does the executive’s budget or any supporting budget documentation identify the different sources of non-tax revenue (such as grants, property income, and sales of goods and services) for the budget year?</p> <p>a. All sources of non-tax revenue are identified individually. b. Sources of non-tax revenue amounting to at least two-thirds of, but not all, non-tax revenues are identified individually. c. Sources of non-tax revenues amounting to less than two-thirds of all non-tax revenue are identified individually. d. No sources of non-tax revenues are identified individually. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Estimates of Revenue 2007/2008 pages 4-5 found at http://www.treasury.go.ke/budget_documents/estimates_of_revenue_2007.pdf Financial Statement 2007/2008 found at http://www.treasury.go.ke/budget_documents/financial_statement_2007.pdf</p> <p><u>Comment:</u> The estimates of revenue 2007/2008 identify grants from foreign governments, grants from international organizations, sales of goods and services, fines, penalties and forfeiture and other non tax-revenues. The Financial Statement also identifies project grants, project loans and appropriation-in-aid.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>9. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of revenue presented for a multi-year period (at least two years beyond the budget year)?</p> <p>a. Yes, multi-year estimates of aggregate revenue are presented. b. No, multi-year estimates of aggregate revenue are not presented. c. Not applicable/other (please comment).</p> <p><u>Citation:</u> Estimates of Revenue 2007/2008</p> <p><u>Comment:</u> Estimates of Revenue 2007/2008 only captures BY-2 and Financial Statement 2007/2008 only captures BY-1. The Finance Bill gives proposals on how to raise money to fund the budget and so there are no multi-year estimates of aggregate revenue presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<p>10. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for revenue estimates that cover a multi-year period (for at least two years beyond the budget year)?</p> <ul style="list-style-type: none"> a. Yes, multi-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax). b. Yes, multi-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue. c. Yes, multi-year estimates are presented, but only for some individual sources of revenue. d. No, multi-year estimates are presented for aggregate revenue only, or they are not presented at all. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> No multi-year estimates are presented for aggregate revenue. However these details are given elsewhere in the Budget Strategy Paper, which is a pre-budget document.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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<p>11. Does the executive's budget or any supporting budget documentation present data on the total government debt outstanding for the budget year?</p> <p>a. Yes, the data reflect the outstanding debt both at the start of the budget year and at the end of the budget year (and thereby reflect the net borrowing requirement of the budget).</p> <p>b. Yes, the data reflect the outstanding debt at the end of the budget year.</p> <p>c. Yes, the data reflect the outstanding debt at the start of the budget year.</p> <p>d. No, data on the outstanding debt are not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Statistical Annex to the Budget Speech 2007/2008 pgs.3-4 found at http://www.teasury.go.ke/budget_documents/statistical_annexe.pdf External Loans and Credit Act.</p> <p><u>Comment:</u> The Statistical Annex is presented together with the Annual Estimates of Expenditure, Estimates of Revenue, Finance Bill, Financial Statement and the Budget Speech on the same day by the Minister for Finance. The External Loans and Credit Act also provides that the Minister for Finance must report on the outstanding amount of government debt periodically to parliament. (Researcher's re-assessment has led to change in response from the 2006 round of research.)</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>12. Does the executive's budget or any supporting budget documentation present interest payments on the debt for the budget year?</p> <p>a. Yes, interest payments on the debt are presented.</p> <p>b. No, interest payments on the debt are not presented.</p> <p>c. Not applicable/other (please comment).</p> <p><u>Citation:</u> Annual Printed Estimates of Expenditure 2007/08, Government Printer, Nairobi, Kenya.</p> <p><u>Comment:</u> This is fully provided for in detail in the Estimates of Expenditure for the 2007/2008 financial year.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>13. Does the executive's budget or any supporting budget documentation present information related to the composition of government debt (such as interest rates on the debt, maturity profile of the debt, currency denomination of the debt, or whether it is domestic and external debt) for the budget year?</p> <p>a. Yes, extensive information related to the composition of government debt is presented.</p> <p>b. Yes, key additional information is presented, but some details are excluded.</p> <p>c. Yes, some additional information is presented, but it lacks important details.</p> <p>d. No, additional information related to the composition of government debt is not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Statistical Annex to the Budget Speech 2007/2008 pgs.3-5 found at http://www.teasury.go.ke/budget_documents/statistical_annexe.pdf Annual Printed Estimates of Expenditure 2007/08, Government Printer, Nairobi, Kenya.</p> <p><u>Comment:</u> Key additional information about the debt, such as interest rate payment on the debt, whether the debt is domestic or external is provided. Some details, like maturity profile of the debt and currency denomination, are left out. (Researcher's re-assessment has led to change in response from the 2006 round of research).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>b</p>
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<p>14. Does the executive’s budget or any supporting budget documentation present the macroeconomic forecast upon which the budget projections are based?</p> <ul style="list-style-type: none"> a. Yes, an extensive discussion of the macroeconomic forecast is presented, and key assumptions (such as inflation, real GDP growth, unemployment rate, and interest rates) are stated explicitly. b. Yes, the macroeconomic forecast is discussed and most of the key assumptions are stated explicitly, but some details are excluded. c. Yes, there is some discussion of the macroeconomic forecast (and/or the presentation of key assumptions), but it lacks important details. d. No, information related to the macroeconomic forecast is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Budget Speech 2007/2008 pgs.9-13 http://www.treasury.go.ke/downloads/Budget_Speech_2007.pdf</p> <p><u>Comment:</u> The Minister of Finance discusses briefly the macroeconomic forecasts and most of the key assumptions explicitly, though some details are excluded. The details of fiscal and macro-economic forecasts upon which the budget is based are found in the Budget Strategy Paper and the Budget Outlook Paper.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>b</p>
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15. Does the executive's budget or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget (including expenditures, revenues, and debt)?
- Yes, extensive information on the impact of macroeconomic assumptions on the budget is presented, including both a narrative discussion and quantitative estimates.
 - Yes, information is presented, highlighting the impact of the major macroeconomic assumptions, but some details are excluded.
 - Yes, some information is presented, but it lacks important details.
 - No, information on the impact of different macroeconomic assumptions on the budget is not presented.
 - Not applicable/other (please comment).

Citation:

Budget Speech 2007/2008 pgs.9-14

http://www.treasury.go.ke/downloads/Budget_Speech_2007.pdf

Comment:

The Minister of Finance usually highlights the impact of major macroeconomic assumptions during the Budget Speech but some details are excluded. This is because the speech is but a summary of the Budget. The details are found in other documents like the Budget Strategy Paper and Budget Outlook Paper, which are pre-budget documents.

b

Researcher's Response to this Question was "b."

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be 'd.' Although the budget speech does articulate the macroeconomic assumptions, it does not present options for what would happen to revenues, expenditures or debt, if the assumptions failed or were different from what had been projected.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire, "b." I chose my answer because there is a brief discussion on the impact of macro-economic assumptions in the Budget Speech 2007/2008 pages 9-14 as delivered by the Minister for Finance and detailed discussion of such assumptions in the Budget Strategy Paper and the Budget Outlook Paper, which are pre-budget documents.

IBP Comment: IBP editors chose answer, "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

16. Does the executive's budget or any supporting budget documentation present information for at least the budget year that shows how policy proposals in the budget, as distinct from existing policies, affect expenditures?
- Yes, extensive information on the impact of policy proposals on expenditures is presented, including both a narrative discussion and quantitative estimates.
 - Yes, information is presented, highlighting the impact of key policy proposals on expenditures, but some details are excluded.
 - Yes, some information is presented, but it lacks important details.
 - No, information on the impact of policy proposals on expenditures is not presented.
 - Not applicable/other (please comment).

Citation:

Budget Speech 2007/2008 pg.25

http://www.treasury.go.ke/downloads/Budget_Speech_2007.pdf

Comment:

The Budget Speech does attempt to show how policy proposals in the budget affect expenditures though not in a detailed manner. (Researcher's re-assessment has led to change in response from 2006 round of research).

Researcher's Response to this Question was "b."

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be 'c' because there are a few instances where the Minister of Finance will articulate the financial requirements for a policy proposal (e.g. to waive secondary school tuition fees and for thus Kshs 2.9 billion was proposed – p.18 of the budget speech). However, most of budget speech 2007/08 will contain policy proposals (e.g. contributory pension scheme, but there was no mention of how it would affect expenditures).

Researcher Response:

I suggest the answer should remain as I indicated in the questionnaire, "b." I chose my answer because the Budget Speech shows how policy proposals affect expenditure. For example, see page 6(v) of the 2007/2008 budget. On page 12 of the same speech, it says, "In line with government policy to shift resources from recurrent to capital expenditures and core poverty programs, the share of recurrent expenditure is projected to decline sharply from the level of 2006/2007, while domestically financed capital expenditures are planned to increase..."

IBP Comment: IBP editors chose answer, "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

b

17. Does the executive's budget or any supporting budget documentation present information for at least the budget year that shows how policy proposals in the budget, as distinct from existing policies, affect revenues?
- a. Yes, extensive information on the impact of policy proposals on revenues is presented, including both a narrative discussion and quantitative estimates.
 - b. Yes, information is presented, highlighting the impact of key policy proposals on revenues, but some details are excluded.
 - c. Yes, some information is presented, but it lacks important details.
 - d. No, information on the impact of policy proposals on revenues is not presented.
 - e. Not applicable/other (please comment).

Citation:

Budget Speech 2007/2008

http://www.treasury.go.ke/downloads/Budget_Speech_2007.pdf

Finance Bill 2007/08, Government Printer, Nairobi, Kenya.

Comment:

The budget speech also attempts to show how policy proposals in the budget (as distinct from existing policies) affect revenue but not in detailed manner. This is also discussed in the Finance Bill.

Peer Reviewer Two Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "d." Both the Budget Speech and the Finance Bill present taxation proposals and other money law proposals. However, a more appropriate response to this question would be "d" because there is no mention of how policy proposals, as distinct from existing policies, will affect revenues.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire, "b." I chose my answer because throughout the Budget Speech 2007/2008, the Minister talks about how privatization policy will affect revenue that is to be raised for the fiscal year 2007/2008. He also explains how policies adopted by Kenya Revenue Authority will affect revenue collection.

IBP Comment: IBP editors chose answer, "b" consistent with researcher comments.

b

Estimates for Years Prior to the Budget Year	
<p>18. Does the executive's budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by administrative unit (that is, by ministry, department, or agency)?</p> <ol style="list-style-type: none"> a. All expenditures are classified by administrative unit for BY-1. b. Expenditures are classified by administrative unit for BY-1, but some small units are not shown separately. c. Expenditures are classified by administrative unit for BY-1, but a significant number of units are not shown separately. d. No expenditures classified by administrative unit are presented for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> Annual Printed Estimates of Expenditure 2007/08. Government Printer, Nairobi, Kenya.</p> <p><u>Comment:</u> The Annual Printed Estimates of Expenditure show expenditures classified by administrative units for BY-1(2006/2007).This document is released together with the executive budget. (Re-assessment led to change of response from 2006 round of research.)</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>19. Does the executive’s budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by functional classification?</p> <ul style="list-style-type: none"> a. All expenditures are classified by functional classification for BY-1, and the categorization is compatible with international standards. b. All expenditures are classified by functional classification for BY-1, but the categorization is not compatible with international standards. c. Some, but not all, expenditures are classified by function for BY-1. d. No expenditures classified by function are presented for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> Annual Printed Estimates of Expenditure 2007/08, Government Printer, Nairobi, Kenya</p> <p><u>Comment:</u> Some expenditures for the year preceding the budget year that are classified by functional classification are provided, but not all expenditures are classified by function for BY-1. Functional classification is being discussed for consideration in the ongoing reform process under the Public Finance Management Reform Strategy.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>C</p>
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<p>20. Does the executive’s budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by economic classification?</p> <ul style="list-style-type: none"> a. All expenditures are classified by economic classification for BY-1, and the categorization is compatible with international standards. b. All expenditures are classified by economic classification for BY-1, but the categorization is not compatible with international standards. c. Some, but not all, expenditures are classified by economic classification for BY-1. d. No expenditures classified by economic classification are presented for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> Annual Printed Estimates of Expenditure 2007/08, Government Printer, Nairobi, Kenya.</p> <p><u>Comment:</u> After the adoption of IMF's Government Finance Statistics classification of budget by the Kenya government in 2005/06 financial year, there was a reworking of all expenditures for preceding years and now all expenditure for the years preceding the budget year are classified by economic classification.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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<p>21. Does the executive's budget or any supporting budget documentation present expenditures for individual programs for the year preceding the budget year (BY-1)?</p> <ol style="list-style-type: none"> Program-level expenditure data are presented for all expenditures for BY-1. Program-level expenditure data are presented for at least two-thirds of, but not all, expenditures for BY-1. Program-level expenditure data are presented, but for less than two-thirds of expenditures for BY-1. No program-level expenditure data are presented for BY-1. Not applicable/other (please comment). <p><u>Citation:</u> Budget Speech 2007/2008 page 13 found at http://www.treasury.go.ke/downloads/Budget_Speech_2007.pdf Annual Printed Estimates of Expenditure 2007/08 found at Government Printer, Nairobi, Kenya.</p> <p><u>Comment:</u> The government has just began to entrench program-based performance budgeting in the 2007/08 budget and it is expected that from next year the BY-1 expenditures will reflect the same.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>22. In the executive's budget or any supporting budget documentation, how many months of actual data are reflected in the expenditure estimates of the year prior to the budget year (BY-1)?</p> <ol style="list-style-type: none"> All BY-1 estimates have been updated from the original enacted levels to reflect six or more months of actual expenditure. All BY-1 estimates have been updated from the original enacted levels, but reflect less than six months of actual expenditure. Some BY-1 estimates have been updated from the original enacted levels to reflect actual expenditure. The BY-1 estimates have not been updated from the original enacted levels, or no BY-1 estimates are presented. Not applicable/other (please comment). <p><u>Citation:</u> Financial Statement 2007/2008 found, on page 1, at http://www.treasury.go.ke/budget_documents/financial_statement_2007.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>23. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for years that precede the budget year by more than one year (that is, BY-2 and prior years)?</p> <p>a. Yes, such prior-year estimates of aggregate expenditure are presented. b. No, such prior-year estimates of aggregate expenditure are not presented. c. Not applicable/other (please comment).</p> <p><u>Citation:</u> Statistical Annex to the Budget Speech 2007/2008 pg.1 found at http://www.treasury.go.ke/budget_documents/statistical_annexe.pdf Annual Printed Estimates of Expenditure 2007/08, Government Printer, Nairobi, Kenya.</p> <p><u>Comment:</u> Re-assessment by researcher led to change of response from 2006 OBQ.</p> <p><u>Researcher’s Response to this Question was “a.”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> The citation is incorrect because the Estimates of Expenditure 2007/08 only provide BY-1 expenditure figures.</p> <p><u>Researcher Response:</u> I suggest the answer should remain as I indicated in the questionnaire, “a.” I chose my answer because the Statistical Annex to the Budget Speech for the Fiscal year 2007/2008 contains BY-2 aggregate figures.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>a</p>
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<p>24. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover years preceding the budget year by more than one year (that is, BY-2 and prior years)?</p> <ol style="list-style-type: none"> a. Yes, such prior-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative). b. Yes, such prior-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs. c. Yes, such prior-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs. d. No, such prior-year estimates are presented for aggregate expenditure only, or they are not presented at all. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Not presented.</p> <p><u>Researcher’s Response to this Question was “d.”</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be “b.” This is shown in the documents — Estimates of Recurrent Expenditure and Development Expenditure.</p> <p><u>Peer Reviewer Two Comment:</u> The Estimate of Expenditure 2007/08 only captures disaggregated figures for BY-1.</p> <p><u>Researcher Response:</u> I suggest the answer should remain as I indicated in the questionnaire “d.” I chose my answer because, as per IBP guidelines, questions 1-55 refer to Executive Budget Proposal and the document cited by Reviewer One is classified as enacted budget. I agree with Peer Reviewer Two's comments.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>d</p>
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<p>25. In the executive’s budget or any supporting budget documentation, what is the most recent year presented for which all expenditures reflect actual outcomes?</p> <ul style="list-style-type: none"> a. Two years prior to the budget year (BY-2). b. Three years prior to the budget year (BY-3). c. Before BY-3. d. No actual data for all expenditures are presented in the budget or supporting budget documentation. e. Not applicable/other (please comment). <p><u>Citation:</u> Statistical Annex to the Budget Speech 2007/2008 pg.3 found at http://www.treasury.go.ke/budget_documents/statistical_annexe.pdf</p> <p><u>Comment:</u> The most recent year presented for which all expenditures reflect actual outcomes is two years prior to the budget year. These figures are always confirmed by the Controller and Auditor General in the Appropriation Accounts and Other Public Accounts.</p> <p><u>Peer Reviewer One Comment</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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<p>26. Are the expenditure estimates for the years prior to the budget year adjusted, as needed, to be comparable with the budget-year estimates in terms of classification and presentation?</p> <ol style="list-style-type: none"> Yes, prior-year data are always adjusted to be comparable to the budget year data. Yes, in most cases, prior-year data are adjusted to be comparable. Yes, in some cases, prior-year data are adjusted to be comparable, but significant deviations between prior-year and budget-year classifications exist. No, prior-year data are not adjusted to be comparable, or no prior-year estimates are presented. Not applicable/other (please comment). <p><u>Citation:</u> Statistical Annex to the Budget Speech 2007/2008 pgs.3-4 found at http://www.treasury.go.ke/budget_documents/statistical_annexe.pdf Annual Printed Estimates of Expenditure 2007/08, Government Printer, Nairobi, Kenya.</p> <p><u>Comment:</u> After the government adopted the GFS in 2005/06 financial year, a revised series of previous years was done, making prior year data comparable to the budget year data in terms of classification and presentation.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>27. Does the executive's budget or any supporting budget documentation identify the different sources of tax revenue (such as income tax or VAT) for the year preceding the budget year (BY-1)?</p> <ol style="list-style-type: none"> All tax revenues are identified individually for BY-1. Tax revenues amounting to at least two-thirds of, but not all, tax revenue for BY-1 are identified individually. Tax revenues amounting to less than two-thirds of all tax revenues for BY-1 are identified individually. No tax revenues are identified individually for BY-1. Not applicable/other (please comment). <p><u>Citation:</u> Estimates of Revenue 2007/2008 found at http://www.treasury.go.ke/budget_documents/estimates_of_revenue_2007.pdf</p> <p><u>Comment:</u> All tax revenues are identified individually for BY-1(2006/2007).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>28. Does the executive’s budget or any supporting budget documentation identify the different sources of non-tax revenue (such as grants, property income, and sales of goods and services) for the year preceding the budget year (BY-1)?</p> <ul style="list-style-type: none"> a. All non-tax revenues are identified individually for BY-1. b. Non-tax revenues amounting to at least two-thirds of, but not all, non-tax revenue for BY-1 are identified individually. c. Non-tax revenues amounting to less than two-thirds of all non-tax revenues for BY-1 are identified individually. d. No non-tax revenues are identified individually for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> Estimates of Revenue 2007/08 pgs.1-5 http://www.treasury.go.ke/budget_documents/estimates_of_revenue_2007.pdf</p> <p><u>Comment:</u> All non-tax revenue are identified individually for BY-1.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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<p>29. In the executive’s budget or any supporting budget documentation, how many months of actual data are reflected in the revenues estimates of the year prior to the budget year (BY-1)?</p> <ol style="list-style-type: none"> All BY-1 estimates have been updated from the original estimates to reflect six or more months of actual revenue collections. All BY-1 estimates have been updated from the original estimates, but reflect less than six months of actual revenue collections. Some BY-1 estimates have not been updated from the original estimates to reflect actual revenue collections. The BY-1 estimates have not been updated from the original estimates or no BY-1 estimates are presented. Not applicable/other (please comment). <p><u>Citation:</u> Estimates of Revenue 2007/08 pgs.1-5 http://www.treasury.go.ke/budget_documents/estimates_of_revenue_2007.pdf</p> <p><u>Comment:</u> In the Estimates of Revenue, one only finds updated revised revenue estimates for the year prior to the budget year and does reflects revenue of less than six months of actual collections. Its only BY-2 that reflects actual actual receipts of revenue. The 2005/06 are actual receipts, 2006/07 are revised estimates, while 2007/08 are estimates of revenue.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b
<p>30. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of revenues presented for years that precede the budget year by more than one year (that is, BY-2 and prior years)?</p> <ol style="list-style-type: none"> Yes, such prior-year estimates of aggregate revenue are presented. No, such prior-year estimates of aggregate revenue are not presented. Not applicable/other (please comment). <p><u>Citation:</u> Estimates of Revenue 2007/08 pgs.3 http://www.treasury.go.ke/budget_documents/estimates_of_revenue_2007.pdf</p> <p><u>Comment:</u> Estimates of Revenue presents up to BY-2, while the Statistical Annex presents aggregate revenues for more than five years back.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>31. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for revenue estimates that cover years preceding the budget year by more than one year (that is, BY-2 and prior years)?</p> <ol style="list-style-type: none"> Yes, such prior-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax). Yes, such prior-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue. Yes, such prior-year estimates are presented, but only for some individual sources of revenue. No, such prior-year estimates are presented for aggregate revenue only, or they are not presented at all. Not applicable/other (please comment). <p><u>Citation:</u> Estimates of Revenue 2007/08 pgs.1-5 http://www.treasury.go.ke/budget_documents/estimates_of_revenue_2007.pdf</p> <p><u>Comment:</u> The Estimates of Revenue 2007/08 presents data up to BY-2 and identifies detailed individual sources of revenue and by revenue classification for all the three years presented, that is 2007/08, 2006/07 and 2005/06 financial years.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>32. In the executive’s budget or any supporting budget documentation, what is the most recent year presented for which all revenues reflect actual outcomes?</p> <ol style="list-style-type: none"> Two years prior to the budget year (BY-2). Three years prior to the budget year (BY-3). Before BY-3. No actual data for all revenues are presented in the budget or supporting budget documentation. Not applicable/other (please comment). <p><u>Citation:</u> Estimates of Revenue 2007/08 pgs.1-5 http://www.treasury.go.ke/budget_documents/estimates_of_revenue_2007.pdf</p> <p><u>Comment:</u> The most recent year presented for which all revenues reflect actual data outcomes is BY-2(2005/2006). In the case of the Estimates of Revenue 2007/08 the actual receipts of revenue presented is for the financial year 2005/06.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

33. Does the executive's budget or any supporting budget documentation present information related to the government debt for the year preceding the budget year?

- a. Yes, extensive information is presented on the level and composition of government debt for the year preceding the budget year.
- b. Yes, information on the level of debt is presented, but some important details about the composition of the debt are excluded.
- c. Yes, but only information on the level of debt is presented.
- d. No, information related to the government debt for BY-1 is not presented.
- e. Not applicable/other (please comment).

Citation:

Statistical Annex to the Budget Speech 2007/2008 pg.1 found at http://www.treasury.go.ke/budget_documents/statistical_annexe.pdf
Annual Printed Estimates of Expenditure 2007/08, Government Printer, Nairobi, Kenya.

Comment:

The data shows the total public debt, public external debt, public domestic debt, debt service as a percentage of revenue (external interest, principal and domestic interest) for preceding budget year (2006/2007 financial year). (Reassessment of the question by the researcher led to a change of response from the 2006 response).

Researcher's Response to this Question was "b."

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "d." Although the Statistical Annex to the Budget Speech 2007/08 as a supporting budget document shows prior years of data on government debt to the budget year it does not reflect actual outcome for government debt.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire, "b." I chose my answer because the question asked does not seek to find out whether the debt figures are actual or provisional. It only seeks to find out whether government debt information for the year preceding the budget year is presented. The Statistical Annex to the Budget 2007/2008 provides information on government debt as stated in my above comments. The issue of whether the debt figures are actual debt outcomes is asked in question 34.

IBP Comment: IBP editors chose answer, "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

b

<p>34. In the executive’s budget or any supporting budget documentation, what is the most recent year presented for which the debt figures reflect actual outcomes?</p> <ol style="list-style-type: none"> a. Two years prior to the budget year (BY-2). b. Three years prior to the budget year (BY-3). c. Before BY-3. d. No actual data for government debt are presented in the budget or supporting budget documentation. e. Not applicable/other (please comment). <p><u>Citation:</u> Statistical Annex to the Budget Speech 2007/2008 pg.1 found at http://www.treasury.go.ke/budget_documents/statistical_annexe.pdf</p> <p><u>Comment:</u> The most recent year presented for which the debt figures reflect actual outcomes is two years prior to the Budget year (BY-2).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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Comprehensiveness	
<p>35. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on extra-budgetary funds?</p> <ol style="list-style-type: none"> a. Yes, extensive information on extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key extra-budgetary funds, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on extra-budgetary funds is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Information is presented highlighting key extra-budgetary funds like Constituency Development Fund, Rural Electrification Fund and even Road Maintenance Fund but some details are excluded.</p> <p><u>Researcher’s Response to this Question was “d.”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> I suggest the answer should be changed to “b.” I chose my answer after reviewing the question and the information that is provided in the budget documents. I chose my answer because information for key extra-budgetary funds are provided but some details are excluded.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “b” to maintain the consistency of the assumptions used in selecting answers across the countries</p>	<p>b</p>

36. Does the executive's budget or any supporting budget documentation present information for at least the budget year on intergovernmental transfers?
- Yes, extensive information on intergovernmental transfers is presented, including both a narrative discussion and quantitative estimates.
 - Yes, information is presented, highlighting key intergovernmental transfers, but some details are excluded.
 - Yes, some information is presented, but it lacks important details.
 - No, information on intergovernmental transfers is not presented.
 - Not applicable/other (please comment).

Citation:

Budget Speech 2007/2008 pg.6

http://www.treasury.go.ke/downloads/Budget_Speech_2007.pdf

Annual Printed Estimates of Expenditure 2007/08, Government Printer, Nairobi, Kenya.

Comment:

Information on Local Authority Transfer Fund is provided and there is complete disclosure of LATF amounts allocated to each of the 175 local authorities with details published in the daily press. But there is no narrative for the intergovernmental transfers. The Budget Speech 2007/08 only said that the allocation to LATF had more than doubled from Kshs.3.0 billion in 2002/03 to Kshs/6.5 billion in 2006/07 and it is projected to rise to Kshs.9.2 billion in 2007/08 financial year. (Re-assessment led to change of response from 2006 round of research).

b

Researcher's Response to this Question was "b."

Peer Review One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be 'c' because information on inter-governmental transfers, such as a breakdown of the transfer amounts and the receiving local authorities, is not included in the executive budget or supporting documents.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire, "b." I chose my answer because the budget does show inter-governmental transfers and that what the question asked. Key inter-governmental transfers are highlighted but some details are excluded, like the amounts to each local authority in case of Local Authority Transfer Fund.

IBP Comment: IBP editors chose answer, "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

<p>37. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on transfers to public corporations?</p> <ol style="list-style-type: none"> Yes, extensive information on transfers to public corporations is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key transfers to public corporations, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on transfers to public corporations is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Annual Printed Estimates of Expenditure 2007/08, Government Printer, Nairobi, Kenya.</p> <p><u>Comment:</u> Information on transfers to public corporations is provided in the Annual Printed Estimates of Expenditure but there is no narrative presented.</p> <p><u>Researcher’s Response to this Question was “b.”</u></p> <p><u>Peer Review One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be ‘c’ because information on inter-governmental transfers, especially to public corporations, is presented in the Annual Estimates 2007/08 as shown for all Ministries that have public corporations — what are known as autonomous and semi-autonomous government agencies (SAGAs). For instance page 139 of 2007/08 Development Expenditure Estimates (vol. 1) under Ministry of Finance shows a line item of transfer to Kenya Revenue Authority. However detail is lacking.</p> <p><u>Researcher Response:</u> I suggest the answer should remain as I indicated in the questionnaire “b.” I chose my answer because key transfers to public corporations are highlighted in the Budget though some details are excluded.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “b” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>b</p>
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<p>38. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on quasi-fiscal activities?</p> <ul style="list-style-type: none"> a. Yes, extensive information on quasi-fiscal activities is presented, including both a narrative discussion and, where possible, quantitative estimates. b. Yes, information is presented, highlighting key quasi-fiscal activities, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on quasi-fiscal activities is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> No information is provided on quasi-fiscal activities.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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<p>39. Does the executive's budget or any supporting budget documentation present information on financial assets held by the government?</p> <ol style="list-style-type: none"> Yes, extensive information on financial assets is presented, including a listing of the assets, a discussion of their purpose, and an estimate of their market value. Yes, information is presented, highlighting key information, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on financial assets is not presented. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> No information on financial assets held by the government is presented. However, information for the movement of government financial assets is reflected in the Financial Statement 2007/08 (e.g disposal of government stocks).</p> <p><u>Researcher's Response to this Question was "d."</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> The Researcher's response is appropriate. However it would be fair to say that the movements in the financial assets (inflows and outflows) are reflected in Financial Statement 2007/08 (e.g. disposal of government stocks).</p> <p><u>Researcher Response:</u> I suggest the answer should remain as I indicated in the questionnaire, "d." I agree with the reviewer that the movement of the government's financial assets are reflected in the Financial Statement but not assets held by the government.</p> <p><u>IBP Comment:</u> IBP editors chose answer, "d" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	d
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<p>40. Does the executive's budget or any supporting budget documentation present information on non-financial assets held by the government?</p> <ol style="list-style-type: none"> Yes, extensive information on non-financial assets is presented, including a listing of the assets, and (where possible) an estimate of their market value. Yes, information is presented, highlighting key information, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on non-financial assets is not presented. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> This information is not presented with the Budget.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>41. Does the executive's budget or any supporting budget documentation present information for at least the budget year on expenditure arrears?</p> <ol style="list-style-type: none"> Yes, extensive information on expenditure arrears is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key expenditure arrears, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on expenditure arrears is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Financial Statement page 1 at http://www.treasury.go.ke/budget_documents/financial_statement_2007.pdf Annual Printed Estimates of Expenditure 2007/08, Government Printer, Nairobi, Kenya.</p> <p><u>Comment:</u> Some information is presented but it lacks important details. For example, this financial year 2007/08, the Minister of Finance set aside Kshs.8.08 billion to repay some expenditure arrears, but it is not clear whether the Minister is paying arrears in pending bills or contractual debt. The issue of expenditure arrears has been thorny as data on expenditure arrears is not fully reliable. In 2006/07 Budget the Minister proposed to repay arrears estimated at Kshs. 4 billion but the amount was revised downwards to Kshs. 355 million in the 2006/07 Supplementary Estimates. The Budget also shows securitization of pending bills. (The answer selected demonstrates an improvement from 2006 round of research.)</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c

42. Does the executive's budget or any supporting budget documentation present information on contingent liabilities (such as government loan guarantees)?
- Yes, extensive information on contingent liabilities is presented, including both a narrative discussion and quantitative estimates.
 - Yes, information is presented, highlighting key contingent liabilities, but some details are excluded.
 - Yes, some information is presented, but it lacks important details.
 - No, information on contingent liabilities is not presented.
 - Not applicable/other (please comment).

Citation:

Financial Statement page 1 at

http://www.treasury.go.ke/budget_documents/financial_statement_2007.pdf

Comment:

Information is presented highlighting key contingent liabilities but it is not sufficiently detailed. The answer demonstrates an improvement from 2006 round of research.

Researcher's Response to this Question was "b."

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "c" because there is no information in the executive budget or supporting documents on the aggregate level of total contingent liabilities. However, whenever the guaranteed agency defaults on the loan, the payment or the projected payment is reflected in the budget speech 2007/08 (e.g. guaranteed loans in Agricultural Finance Corporation).

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire, "b." I chose my answer because "key contingent liabilities" are presented in the Financial Statement for the Budget year and BY-2.

IBP Comment: IBP editors chose answer, "b" to maintain the consistency of the assumptions used in selecting answers across the countries

b

<p>43. Does the executive’s budget or any supporting budget documentation present information on future liabilities, such as civil service pensions?</p> <ul style="list-style-type: none">a. Yes, extensive information on future liabilities is presented, including both a narrative discussion and quantitative estimates.b. Yes, information is presented, highlighting key future liabilities, but some details are excluded.c. Yes, some information is presented, but it lacks important details.d. No, information on future liabilities is not presented.e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The government does not provide information on future liabilities in the executive Budget or any supporting budget document.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
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<p>44. Does the executive’s budget or any supporting budget documentation provide details on the sources of donor assistance, both financial and in-kind?</p> <ol style="list-style-type: none"> a. All sources of donor assistance are identified individually. b. At least two-thirds of, but not all, sources of donor assistance, are identified individually. c. Less than two-thirds of sources of donor assistance are identified individually. d. No sources of donor assistance are identified individually. e. Not applicable/other (please comment). <p><u>Citation:</u> Budget Speech 2007/2008 page 26 found at http://www.treasury.go.ke/downloads/Budget_Speech_2007.pdf Annual Printed Estimates of Expenditure 2007/08 found at Government Printer, Nairobi, Kenya.</p> <p><u>Comment:</u> Details of donor and projects financed are identified individually in Development Estimates. The budget provides a detailed breakdown of sources of external finance in the development budget. (Re-assessment changed the response from 2006).</p> <p><u>Researcher’s Response to this Question was “a.”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “b” because there is less transparency when it comes to commercial debt – especially with respect to financing security contracts.</p> <p><u>Researcher Response:</u> I suggest the answer should remain as I indicated in the questionnaire, “a.” I chose my answer because commercial debt as suggested by the Reviewer is not donor assistance at all.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>a</p>
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<p>45. Does the executive's budget or any supporting budget documentation present information for at least the budget year on tax expenditures?</p> <ol style="list-style-type: none"> Yes, extensive information on tax expenditures is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key tax expenditures, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on tax expenditures is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Budget Speech 2007/2008 pg.6 http://www.treasury.go.ke/downloads/Budget_Speech_2007.pdf</p> <p><u>Comment:</u> For example in 2007/2008 the Minister proposed to remove the Sugar Development Levy on all imported sugar for industrial use in order to spur growth and expansion of industries that use sugar as their raw materials for manufacturing goods.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>46. Does the executive's budget or any supporting budget documentation identify all earmarked revenues?</p> <ol style="list-style-type: none"> All earmarked revenues are identified individually. At least two-thirds of, but not all, earmarked revenues are identified individually. Less than two-thirds of earmarked revenues are identified individually. No earmarked revenues are identified individually. Not applicable/other (please comment). <p><u>Citation:</u> Estimates of Revenue 2007/2008.</p> <p><u>Comment:</u> At least two-thirds of earmarked revenues are identified. Some examples include Petroleum Development Levy and Constituency Development Fund.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<p>47. What percentage of expenditure in the budget year is dedicated to spending on secret items relating to, for instance, national security and military intelligence?</p> <ol style="list-style-type: none"> a. One percent or less of expenditure is dedicated to secret items. b. Three percent or less, but more than one percent, of expenditure is dedicated to secret items. c. Eight percent or less, but more than three percent, of expenditure is dedicated to secret items. d. More than eight percent of expenditure is dedicated to secret items, or the percentage is not available to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> Annual Printed Estimates of Expenditure 2007/08, Government Printer, Nairobi, Kenya.</p> <p><u>Comment:</u> In 2007/2008, the approved estimates of expenditure to the Ministry of State for defense, as well as national security and intelligence, were nine percent of the total budget.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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The Budget Narrative & Performance Monitoring	
<p>48. Does the executive’s budget or any supporting budget documentation explain how the proposed budget is linked to government’s stated policy goals, by administrative unit (or functional category), for the budget year?</p> <p>a. Yes, extensive information on the link between the budget and the government’s stated policy goals, by administrative unit (or functional category) is presented, including both a narrative discussion and quantitative estimates.</p> <p>b. Yes, information is presented, highlighting the link between major policy goals and the budget, but some details are excluded.</p> <p>c. Yes, some information is presented, but it lacks important details.</p> <p>d. No, information on the link between the budget and the government’s stated policy goals is not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Budget Speech 2007/2008 pages 5-12 found at http://www.treasury.go.ke/downloads/Budget_Speech_2007.pdf</p> <p><u>Comment:</u> The Budget Speech highlights the link between major policy goals by administrative unit and the budget. Because it is a summary some details are left out.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “d” because no information on the link between the budget and the government’s stated policy goals is presented by administrative unit (or functional category).</p> <p><u>Researcher Response:</u> I suggest the answer should remain as I indicated in the questionnaire, “b.” I chose my answer because the link between major policy goals by administrative units is highlighted briefly in the Budget Speech. For example, the Minister argues that to fight corruption, a number of initiatives funded by the Budget are being implemented – like increasing the number of prosecutors, magistrates and judges of the high court. On page 12 of the Budget Speech the Minister for Finance highlights what the Ministry of Finance will do to address challenges for expenditure reforms. The Minister for Finance also refers to the Ministry of education and the on-going reforms in that sector to enhance efficiency.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “b” to maintain the consistency of the assumptions used in selecting answers across the countries</p>	b

49. Does the executive's budget or any supporting budget documentation explain how the proposed budget is linked to government's stated policy goals for a multi-year period (for at least two years beyond the budget year)?

- a. Yes, extensive information on the link between the budget and the government's stated policy goals over a multi-year period is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting the major policy goals, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on the link between the budget and the government's stated policy goals over a multi-year period is not presented.
- e. Not applicable/other (please comment).

Citation:

Budget Speech 2007/2008 found at
http://www.treasury.go.ke/downloads/Budget_Speech_2007.pdf

Comment:

Yes information is presented highlighting the major policy goals but some details are excluded. The Kenya government Budget uses Vision 2030 plan/strategy.

Researcher's Response to this Question was "b."

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "d" because no information on the link between the budget and the government's stated policy goals is presented in the executive budget or supporting documents. However this information is presented to an extent in the Medium Term Budget Strategy Paper (known informally as the Budget Strategy Paper) 2007/08 – 2009/10 which we (peer reviewers) have classified as a pre-budget document.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire "b." I chose my answer because the Minister in his Budget Speech repeatedly refers to the Budget Strategy Paper 2007/08-2009/10, which has detailed information on the link between the government's stated policy goals and the budget for a multi-year period. There are also cases in the Budget Speech where the Minister for Finance explains government policy goals in the long-term especially using the Vision 2030 Strategy goals.

IBP Comment: IBP editors chose answer, "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

b

50. Does the executive's budget or any supporting budget documentation present non-financial data, such as the number of beneficiaries, for expenditure programs?
- Non-financial data are presented for all programs.
 - Non-financial data are presented for programs representing at least two-thirds of, but not all, expenditures.
 - Non-financial data are presented for programs representing less than two-thirds of expenditure.
 - No non-financial data are presented.
 - Not applicable/other (please comment).

Citation:

Health Sector Working Group Report-Feb 2007 found at http://www.treasury.go.ke/downloads/health_sector_report_2007%20draft.pdf
Budget Speech 2007/2008

Comment:

The Budget Speech 2007/08 provides some non-financial information/data such as the number of beneficiaries for some programs. For example, in the Budget Speech 2007/08, the Minister of Finance states "...we are going to allocate Kshs.1.5 million to recruit an additional 7000 teachers countrywide..." He also says that "we will also allocate Kshs.1.0 billion to recruit an additional 4000 new teachers bringing the total of the number of teachers to be employed in 2007/08 to 11,000."

He also cites the number of dispensaries that have been built countrywide and the number of new health personnel deployed in rural and needy areas in the country in the last one year.

The Health Sector Report 2007 contains information about the sector performance and achievements and the analysis of recurrent and development expenditure. For example it highlights the number of people with HIV receiving ARVs, the number of pregnant women/children using ITNs, improvements in nurse/population rates, etc.

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "d," because sector reports are proposals for sector priorities and budgets, for consideration by Treasury. The executive budget and supporting documents do not present non-financial data on the number of beneficiaries.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire, "c." I chose my answer because of the explanations given above.

IBP Comment: IBP editors chose answer, "d" to maintain the consistency of the assumptions used in selecting answers across the countries

d

<p>51. Are the non-financial data presented useful for assessing how an expenditure program is performing?</p> <ul style="list-style-type: none"> a. The non-financial data are very useful for assessing program performance. b. The non-financial data are mostly useful for assessing program performance. c. The non-financial data are somewhat useful for assessing program performance. d. No non-financial data are provided or they are not useful for assessing program performance. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The non-financial information presented is mostly useful in assessing program performance and used by the government but also non-governmental organizations. For example most NGOs have used these non-financial data in assessing the performance of free primary education.</p> <p><u>Researcher’s Response to this Question was “c.”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “d,” because no non-financial data are provided, yet this is critical for performance assessment. Though there are performance contracts signed by ministries and departments, these are yet to be integrated into the budget process.</p> <p><u>Researcher Response:</u> I suggest the answer should be changed to “b.” Explanation is given in question 50 and above.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>d</p>
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<p>52. Does the executive’s budget or any supporting budget documentation contain performance indicators for expenditure programs?</p> <ul style="list-style-type: none"> a. Performance indicators are presented for all programs. b. Performance indicators are presented for programs representing at least two-thirds of, but not all, expenditures. c. Performance indicators are presented for programs representing less than two-thirds of expenditures. d. No performance indicators are presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> No performance indicators are presented in the budget but are contained in other documents.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
<p>53. Are the performance indicators sufficiently well designed, such that one can assess whether there has been progress toward meeting policy goals?</p> <ul style="list-style-type: none"> a. All performance indicators are well designed. b. Most performance indicators are well designed. c. Some performance indicators are well designed, but most are not. d. No programs have performance indicators, or they are not well designed. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Some performance indicators are well designed, while others are not. Public Expenditure Review in 2004 found that only four of the indicators were well designed. (Selected answer demonstrates an improvement from 2006 round of research).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>c</p>

<p>54. Are performance indicators used in conjunction with performance targets presented in the executive's budget or any supporting budget documentation?</p> <p>a. All performance indicators are used in conjunction with performance targets. b. Most performance indicators are used in conjunction with performance targets. c. Some performance indicators are used in conjunction with performance targets, but most are not. d. No performance indicators are used in conjunction with performance targets. e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> Performance targets are not presented in the executive budget.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>55. Does the executive's budget or any supporting budget documentation present information on policies (both proposals and existing commitments) in at least the budget year that are intended to benefit directly the country's most impoverished populations?</p> <p>a. Yes, extensive information on policies intended to alleviate poverty is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting the impact of key policies intended to alleviate poverty, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on policies intended to alleviate poverty is not presented. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Budget Speech 2007/2008 page 26 found at http://www.treasury.go.ke/downloads/Budget_Speech_2007.pdf</p> <p><u>Comment:</u> Yes, information is presented highlighting the impact of key policies intended to alleviate poverty and benefit the poor but some details are excluded.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b
Additional Key Information for Budget Analysis & Monitoring	
<p><i>Please note that the questions in this section ask about information that is generally available to the public. The information need not be included in the executive's budget proposal or supporting documents, but may be found in other documents issued by the executive.</i></p>	

<p>56. Does the executive make available to the public a description of the tax rate or fee schedule for all revenue sources, including commercial projects involving the private sector?</p> <ol style="list-style-type: none"> Yes, extensive information on tax rates, fees, royalties and other revenues sources is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting the rates and fees for major revenue sources, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Revised Income Tax Act 2007 at http://www.kra.go.ke/incometax/pdf/Incometaxact2007.pdf Finance Act 2007, VAT Act, Customs Act e.t.c</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>57. Does the executive make available to the public an analysis of the distribution of the tax burden?</p> <ol style="list-style-type: none"> Yes, a detailed analysis of the distribution of the tax burden is presented, including both a narrative discussion and quantitative estimates. Yes, an analysis is presented; highlighting key aspects of the distribution, but some details are excluded. Yes, some analysis is presented, but it lacks important details. No analysis on the distribution of the tax burden is presented. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> No analysis of the distribution of tax burden is presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>58. Does the executive make available to the public an explanation of the conditions associated with assistance from international financial institutions (IFI)?</p> <ul style="list-style-type: none"> a. Yes, extensive information on conditions associated with IFI assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality. b. Yes, information is presented, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on conditions associated with IFI assistance is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The government does not make available to the public an explanation of the conditions associated with assistance from international financial institutions.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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<p>59. Does the executive make available to the public an explanation of the conditions associated with assistance from donor countries?</p> <ul style="list-style-type: none"> a. Yes, extensive information on conditions associated with donor country assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality. b. Yes, information is presented, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on conditions associated with donor country assistance is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The executive does not make available to the public an explanation of the conditions associated with assistance from donor countries.</p> <p><u>Researcher’s Response to this Question was “c.”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> I suggest the answer should be changed as suggested by Peer Reviewer two, “d.”</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” to maintain the consistency of the assumptions used in selecting answers across the countries</p>	<p>d</p>
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<p>60. Does the executive make available to the public a summary that describes the budget and its proposals?</p> <p>a. Yes, it provides a summary that is very informative. b. Yes, it provides a summary that is somewhat informative. c. Yes, but the summary is not very informative. d. No, it does not provide a summary. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Budget Speech 2007/2008 http://www.treasury.go.ke/downloads/Budget_Speech_2007.pdf</p> <p><u>Comment:</u> The Budget Speech is a summary of the budget that is read in parliament by the Minister for Finance on Budget Day. It is a summary emphasizing broad policy changes and major tax and expenditure highlights for the coming fiscal year.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>61. Does the executive publish a “citizens budget” or some non-technical presentation intended for a wide audience that describes the budget and its proposals?</p> <p>a. Yes, it publishes a citizens budget that is very informative. b. Yes, it publishes a citizens budget that is somewhat informative. c. Yes, but the citizens budget is not very informative. d. No, it does not publish a citizens budget. e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> The executive does not publish a citizens' budget. The budget in Kenya remains a very technical document, which even some Parliamentarians find difficult to understand and engage with effectively. Civil society organizations like the Institute of Economic Affairs are therefore trying to bridge this gap by simplifying, demystifying, analyzing and distributing such budget documents to the public by publishing a Citizen's Alternative Budget every year and organizing forums for discussing the same with Parliamentarians and the public.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> We agree with response "d," but wish to clarify that the IEAs' Citizens' Alternative budget is a compilation of budget proposals.</p>	d

<p>62. Does the executive make available to the public non-technical definitions of terms used in the budget and other budget-related documents (for instance, in a glossary)?</p> <ul style="list-style-type: none"> a. Yes, thorough definitions of budget terms are provided. b. Yes, definitions are provided, but some details are excluded. c. Yes, some definitions are provided, but it lacks important details. d. No, definitions are not provided. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> No definition of non-technical terms used in the budget and other budget related documents are made available to the public.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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63. Do citizens have the right *in law* to access government information, including budget information?

- a. Yes, the right has been codified into law, and citizens are generally able in practice to obtain government information, including budget information.
- b. Yes, the right has been codified into law, but it is sometimes not possible for citizens in practice to obtain government information, including budget information.
- c. Yes, the right has been codified into law, but it is frequently or always impossible in practice to obtain access to government information, including budget information.
- d. No, the right to access government information has not been codified into law, or this right does not include access to budget information.
- e. Not applicable/other (please comment).

Citation:

Section 79 of the Constitution of the Republic of Kenya
Officials Secret Act- a colonial era law
Civil Service Regulations

Comment:

Section 79 of the Constitution guarantees Freedom of Expression, which includes "freedom to receive ideas and information without interference, freedom to communicate ideas and information without interference." However, the Officials Secret Act currently in force establishes the general presumption that any official public information is secret unless a government agency has specific authorization to release it. The Act also imposes severe criminal penalties for government officials who violate this provision. Public officials are also unable to differentiate what is official secret and what is not and therefore to be on the safe side of the law takes all information to be official secrets. The civil service regulations also prohibit officials from speaking to the press. The above laws run counter to any guarantee of the right to information and therefore there is serious irregularity in the flow of information between government and citizens. A robust Freedom of Information Bill is currently in its Second Reading in parliament with no clear objection to the bill from both the government side and the opposition.

C

Peer Reviewer One Comment: A more appropriate response to this question would be "b." The explanation is adequate but the more appropriate answer is "b." It is possible to obtain government information – even the budget – and all citizens have the right to it.

Peer Reviewer Two Comment:

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire, "c." This is really a question of judgment and to the degree in which one feels that barriers to obtaining information are greater or lesser. I chose my answer because in practice, there are clearly problems in obtaining government information including budget information. During this research we had great hurdles in obtaining some of the information that we needed for the research.

IBP Comment: IBP editors chose answer, "c" to maintain the consistency of the assumptions used in selecting answers across the countries

64. Are citizens able in practice to obtain financial information on expenditures for individual programs in a format that is more highly disaggregated than that which appears in the executive's budget proposal if they request it (for example, from a ministry or agency)?

- a. In practice, highly disaggregated information is available to the public for all programs except those considered related to national security or military intelligence.
- b. In practice, highly disaggregated information is available to the public for programs representing at least two-thirds of, but not all, expenditures.
- c. In practice, highly disaggregated information is available to the public for programs representing less than two-thirds of expenditures.
- d. In practice, no highly disaggregated expenditure information is available.
- e. Not applicable/other (please comment).

Citation:

Health Sector Working Group Report-Feb 2007 at

http://www.treasury.go.ke/downloads/HEALTH_SECTOR_REPORT_2007%20_DRAFT_.pdf

General Services Economic Sector-Feb 2007 at

http://www.treasury.go.ke/downloads/General_Economic_Services_Sector_Report_2007%20_Draft_.pdf

Comment:

In practice highly disaggregated expenditure information is available to the public from the sectoral reports.

Researcher's Response to this Question was "c."

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "d," because sector reports are strictly proposals for sector priorities and budgets for consideration by Treasury. In practice, no highly disaggregated expenditure information is available beyond what is contained in the Printed Estimates of Expenditure.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire, "c." I chose my answer because sector reports are not just proposals as the reviewer suggests. They do have recommendations at the end but sector reports include sector performance and achievements and also analysis of recurrent and development expenditure within the sector. Sector reports contain information such as number of beneficiaries, etc. For example, the above cited Health Sector Report 2007 contains the number of people under ARVs and the number of pregnant women or children using ITNs. Citizens are able to obtain such information for the reports as they are always posted on the internet.

IBP Comment: IBP editors chose answer, "c" to maintain the consistency of the assumptions used in selecting answers across the countries.

C

65. Are citizens able in practice to obtain non-financial information related to expenditures (for example, number of beneficiaries, number of persons employed by the program, etc.) for individual programs in a format that is more highly disaggregated than that which appears in the executive's budget proposal if they request it from a ministry or agency?

- a. In practice, highly disaggregated non-financial information is available to the public for all programs except those considered related to national security or military intelligence.
- b. In practice, highly disaggregated non-financial information is available to the public for programs representing at least two-thirds of, but not all, expenditures.
- c. In practice, highly disaggregated non-financial information is available to the public for programs representing less than two-thirds of expenditures.
- d. In practice, no highly disaggregated non-financial expenditure information is available.
- e. Not applicable/other (please comment).

Citation:

Health Sector Working Group Report-Feb 2007 at

http://www.treasury.go.ke/downloads/HEALTH_SECTOR_REPORT_2007%20_DRAFT_.pdf

General Services Economic Sector-Feb 2007 at

http://www.treasury.go.ke/downloads/General_Economic_Services_Sector_Report_2007%20_Draft_.pdf

Comment:

Sectoral Reports contain highly disaggregated non-financial information and citizens can obtain such information.

Researcher's Response to this Question was "c."

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "d," because sector reports are strictly proposals for sector priorities and budgets for consideration by Treasury. In practice, no highly disaggregated expenditure information is available beyond what is contained in the Printed Estimates of Expenditure.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire, "c." I chose my answer because in practice highly disaggregated non-financial information is available for programs representing less than two thirds of expenditures (mostly health and education). For example, the Health Sector Report for 2007 shows the number of beneficiaries, number of people under ARVs and even number of pregnant women or children using ITNs among other non-financial information. It gives an analysis of recurrent and development expenditure in the health sector but also analyzes the performance and achievements. See pages 13-30 of the cited Health Report. The citizens are thus able to access this information as the reports are posted on the Internet and can also be purchased from the Government Printer in Nairobi.

IBP Comment: IBP editors chose answer, "c" to maintain the consistency of the assumptions used in selecting answers across the countries

C

Section Three: The Budget Process

The Budget Process	
Executive's Formulation of the Budget	
<p>66. How far in advance of the release of the budget is the day of its release known?</p> <ol style="list-style-type: none"> The release date is set in permanent law. The executive announces the release date at least two months in advance. The executive announces the release date less than two months but more than two weeks in advance. The executive announces the release date two weeks or less before the release, or makes no announcement. Not applicable/other (please comment). <p><u>Citation:</u> Interview with Public Relations Officer, Ministry of Finance, Ms. Muthamia on June 4, 2007. Section 100 (1) of the Constitution of the Republic of Kenya</p> <p><u>Comment:</u> In accordance with Section 100 (1) of the Constitution and Parliamentary Standing Orders, the Minister of Finance is required to present the Budget Speech before the legislature on or before 20th of June of each financial year. The exact date is therefore determined by the executive and usually varies. The executive announces the release date less than two months, but more than two weeks, in advance.</p> <p><u>Researcher's Response to this Question was "c."</u></p> <p><u>Peer Reviewer One Comment:</u> I agree with 'c.' In addition to the explanation given, the date is announced a week before the budget is read through the media. The Economic Survey is first released then members of parliament go on recess and come back one week before the budget is read.</p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "d." It should be noted that the release of the Budget is to some extent dependent on a date that is agreeable to the three East African countries to ensure reduced speculation on taxation proposal expectations.</p> <p><u>Researcher Response:</u> I suggest the answer should remain as I indicated in the questionnaire, "c." I chose my answer because the Constitution stipulates when the Budget is to be presented to the legislature which is before 20th of June of each fiscal year. The exact date varies but follows the Constitution. The announcement of the date is always about two weeks in advance. In very few occasions has the date been announced only a week prior to the presentation. Kenya, Uganda and Tanzania now read their budgets the same day in respect to the East African Co-operation spirit but this did not affect Kenya's date for presenting the Budget. It was Uganda and Tanzania which conformed to the Kenya's timeline for presenting the Budget.</p> <p><u>IBP Comment:</u> IBP editors chose answer, "c" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	C

<p>67. Does the executive release to the public its timetable for preparation of the executive’s budget proposal (that is, a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the ministry of finance or what ever central government agency is in charge of coordinating the budget’s formulation)?</p> <p>a. Yes, a detailed timetable is released to the public. b. Yes, a timetable is released, but some details are excluded. c. Yes, a timetable is released, but it lacks important details. d. No, a timetable is not issued to the public. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Budget Strategy Paper 2006/07-2008/09 Annex I http://www.treasury.go.ke/downloads/2006_Budget_Strategy_Paper.pdf Budget Outlook Paper-BOPA</p> <p><u>Comment:</u> The Budget Process timetable is published in the Budget Outlook Paper (BOPA) which is released in January (six months before the Budget is presented to parliament). The timetable is also published in the Budget Strategy Paper released about four months before the Budget is presented to parliament. Both of these documents are posted on the website of the Ministry of Finance and can also be purchased from the Government Printer in Nairobi. Since 2003, the budget process timetable has also been published in the Public Expenditure Review, which is distributed to all ministries, posted on the Internet and can also be purchased from the Government Printer in Nairobi.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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<p>68. Does the executive adhere to its timetable for the preparation and release of the budget?</p> <ul style="list-style-type: none"> a. The executive adheres to the dates in its timetable. b. The executive adheres to most of the key dates in its timetable. c. The executive has difficulty adhering to most of the dates in its timetable. d. The executive does not adhere to the dates in its timetable, or it does not release to the public its timetable. e. Not applicable/other (please comment). <p><u>Citation:</u> Interview with Public Relations Officer, Ministry of Finance, Ms. Eunice Muthamia on June 4, 2007.</p> <p><u>Comment:</u> The timetable does not state exact dates but the executive usually adheres to most of the key dates in its timetable and the Budget is usually read within the stipulated date (on or before 20th of June) of each financial year as provided for in Section 100 of the Constitution of the Republic of Kenya.</p> <p><u>Researcher’s Response to this Question was “b.”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “c.” as concerns the preparation. The release date, however, is adhered to.</p> <p><u>Researcher Response:</u> I suggest the answer should remain as I indicated in the questionnaire, “b.” I chose my answer because in practice the executive tries to adhere to most of the dates in its timetable and the Constitution, which stipulates that the Budget has to be read on or before the 20th of June of every financial year.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “b” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>b</p>
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<p>69. Does the executive hold consultations with members of the legislature as part of its process of determining budget priorities?</p> <ol style="list-style-type: none"> Yes, the executive holds extensive consultations with a wide range of legislators. Yes, the executive holds consultations with a range of legislators, but some key members are excluded. Yes, the executive holds very limited consultations, involving only a few members of the legislature. No, the executive does not typically consult with members of the legislature as part of the budget preparation process. Not applicable/other (please comment). <p><u>Citation:</u> Interview with a Member of the Justice and Administration Committee of the Kenyan Parliament.</p> <p><u>Comment:</u> Parliamentary Committees have no access to the budget in its drafting phase so they have no opportunity of contributing and scrutinizing proposals before they are brought to parliament. The Departmental Committees do not engage in the Budget at the Sectoral Level. This is one area which has hampered the role of parliament in the budgetary process. Parliament is therefore entirely not involved in budget agenda setting. (Reassessment led to change of response from the 2006 round of research.)</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> The answer “d” is correct. As much as the executive does not typically consult with members of the legislature, these members have an opportunity to participate in the budget priority setting agenda through the existing avenues (e.g. direct submission of budget proposals to the Treasury, through sector working groups, public sector hearing, etc.) like any other average Kenyan.</p>	d
<p>70. Does the executive hold consultations with the public as part of its process of determining budget priorities?</p> <ol style="list-style-type: none"> Yes, the executive holds extensive consultations with a wide range of constituencies. Yes, the executive holds consultations with a range of constituencies, but some key constituencies are excluded. Yes, the executive holds very limited consultations, involving only a few constituencies. No, the executive does not typically consult with the public as part of the budget preparation process. Not applicable/other (please comment). <p><u>Citation:</u> Interview with the Public Relations Officer, Ministry of Finance, Ms Eunice Muthamia on June 4, 2007 Budget Speech 2007/2008 page 34 found at</p>	b

http://www.treasury.go.ke/downloads/Budget_Speech_2007.pdf
East African Standard Newspaper, Tuesday March 20, 2007

Comment:

Citizens and civil society organizations participate through Sector Working Groups (Education, Health, Public Safety, Law and Order etc.) and public hearings, which anyone can join free of charge by informing the Sector Working Group convenor. Presentations are made by various sectors and the public can raise any issues. The outcomes of the issues are reviewed by treasury and included in the final sector report, which forms the basis of Annual and Medium Term Estimates of Expenditure. The only problem is that the hearings are advertised just a few days before the sittings and therefore are sometimes poorly attended by the public and there is little to show that any of the views expressed in the sector hearings was adopted in the final financial estimates. This financial year 2007/08, the Ministry of Finance also invited contributions from the public through email (budget2007@treasury.go.ke) during the drafting phase of the budget. The Treasury also holds meetings with organized private sector on tax proposals annually and their views taken into consideration when formulating the budget.

Peer Reviewer One Comment:

Peer Reviewer Two Comment: The executive also consults with the public at the sub-national level through district development committees (DDC) where various stakeholders (through associations or cooperatives representatives), NGOs, private sector, etc., can participate in budget meetings convened by the district development officer as the head of DDCs to give their proposals and priorities.

71. When does the executive release a pre-budget statement to the public?

- a. The executive releases a pre-budget statement at least four months in advance of the start of the budget year.
- b. The executive releases a pre-budget statement at least two months (but less than four months) in advance of the start of the budget year.
- c. The executive releases a pre-budget statement, but it is released less than two months before the start of the budget year.
- d. The executive does not release a pre-budget statement.
- e. Not applicable/other (please comment).

Citation:

Budget Strategy Paper 2006/07-2008/09 Annex I

http://www.treasury.go.ke/downloads/2006_Budget_Strategy_Paper.pdf

Budget Outlook Paper 2007/2008-2009/10

Comment:

The Budget Strategy Paper 2006/07-2008/09 is released two months before the budget is read in parliament and Budget Outlook Paper 2007/08 is released in January – six months before the budget is presented to parliament. Both documents are pre-budget documents and are posted at the website of the Ministry of Finance. The documents can also be purchased from the Government Printer in Nairobi.

a

Researcher's Response to this Question was "a."

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "c." The Budget Strategy Paper is released 2 months before the budget at the start of the budget year. The other pre-budget statement – the Budget Outlook Paper 2007/08-2009/10 which was not mentioned by the researcher is released six months in advance of the start of the budget year.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire, "a." I chose my answer because I have now included the Budget Outlook Paper as one of the pre-budget documents in addition to the Budget Strategy Paper. The Budget Outlook Paper is released first followed by the Budget Strategy Paper.

IBP Comment: IBP editors chose answer, "a" to maintain the consistency of the assumptions used in selecting answers across the countries.

<p>72. Does the pre-budget statement describe the government’s macroeconomic and fiscal framework?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the government’s fiscal and macroeconomic policy is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key aspects of the fiscal and macroeconomic framework, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement. e. Not applicable/other (please comment). <p><u>Citation:</u> Budget Strategy Paper 2007/08 http://www.treasury.go.ke/downloads/2006_Budget_Strategy_Paper.pdf</p> <p><u>Comment:</u> The Budget Strategy Paper discusses government fiscal and macro-economic policy including quantitative estimates.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> The macroeconomic and fiscal framework is also mentioned extensively in the Budget Outlook Paper that guides tentative sector ceilings as indicative ceilings for line ministries prepared by Treasury.</p>	<p>a</p>
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<p>73. Does the pre-budget statement describe the government’s policies and priorities that will guide the development of detailed estimates for the upcoming budget?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the government’s budget policies and priorities is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key aspects of the government’s budget policies and priorities, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement. e. Not applicable/other (please comment). <p><u>Citation:</u> Budget Strategy Paper 2006/07-2008/09 http://www.treasury.go.ke/downloads/2006_Budget_Strategy_Paper.pdf /</p> <p><u>Comment:</u> This is exactly the role of the Budget Strategy Paper in the Budget Process.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Government policies and priorities are firstly described in the Budget Outlook paper to guide upcoming year estimates and then firmed up in the Budget Strategy Paper.</p>	<p>a</p>
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Legislative Approval of the Budget	
<p>74. How far in advance of the start of the budget year does the legislature receive the budget?</p> <ol style="list-style-type: none"> a. The legislature receives the budget at least three months before the start of the budget year. b. The legislature receives the budget at least six weeks, but less than three months, before the start of the budget year. c. The legislature receives the budget less than six weeks before the start of the budget year. d. The legislature does not receive the budget before the start of the budget year. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> In practice, the Annual Printed Estimates of Expenditure are laid before parliament at least two parliamentary days before the Minister of Finance reads the Budget Speech. The Finance Bill, Revenue Booklet, Provisional Collection of Taxes Order, Financial Statement, Statistical Annexes, Subsidiary legislation and any other amendments to tax and money laws are tabled in parliament on the Budget Day after the Minister reads the Budget Speech. Ideally, parliament should receive the draft budget a few months earlier so that they can effectively scrutinize the budget proposals. There is currently in parliament a Fiscal Management Bill 2007 which proposes that the Budget be tabled two months before budget proposals are read in parliament by the Minister of Finance.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>C</p>

<p>75. Does a legislative committee (or committees) hold public hearings on the macroeconomic and fiscal framework presented in the budget in which testimony from the executive branch and the public is heard?</p> <ol style="list-style-type: none"> Yes, public hearings are held on the macroeconomic and fiscal framework in which testimony is heard from the executive branch and a wide range of constituencies. Yes, hearings are held in which testimony is heard from the executive branch and some constituencies. Yes, hearings are held in which testimony from the executive branch is heard, but no testimony from the public is heard. No, public hearings are not held on the macroeconomic and fiscal framework in which testimony from the executive branch and the public is heard. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The Legislative committees hold their own hearings in which they can summon the executive branch to give testimony on macro-economic and fiscal policies but these hearings are not open to the public. The appropriate answer should thus be “c.”</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	C
<p>76. Do legislative committees hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the executive branch is heard?</p> <ol style="list-style-type: none"> Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the executive branch is heard. Yes, hearings are held, covering key administrative units, in which testimony from the executive branch is heard. Yes, a limited number of hearings are held in which testimony from the executive branch is heard. No, public hearings are not held on the budgets of administrative units in which testimony from the executive branch is heard. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> A limited number of hearings are held by legislative committees in which testimony from the executive branch is heard. For example Finance Planning and Trade committee does organize such hearings.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	C

<p>77. Does a legislative committee (or committees) hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the public is heard?</p> <ul style="list-style-type: none"> a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the public is heard. b. Yes, hearings are held, covering key administrative units, in which testimony from the public is heard. c. Yes, a limited number of hearings are held in which testimony from the public is heard. d. No, public hearings are not held on the budgets of administrative units in which testimony from the public is heard. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> A limited number of hearings are held by legislative committees in which testimony from the public is heard but mostly from organized public groups like NGOs and private organizations like the Kenya Association of Manufacturers.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c
<p>78. Do the legislative committees that hold public hearings release reports to the public on these hearings?</p> <ul style="list-style-type: none"> a. Yes, the committees release very informative reports, which include all written testimony presented at the hearings. b. Yes, the committees release reports, but some details are excluded. c. Yes, the committees release reports, but they are not very informative. d. No, the committees do not release reports or do not hold public hearings. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The Committees release reports but some details are excluded like written testimony presented at the hearings.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<p>79. Is the legislature (or the appropriate legislative committee or members of the legislature) given full information for the budget year on the spending of all secret items relating to, for instance, national security and military intelligence?</p> <p>a. Yes, the appropriate legislative committee or members of the legislature is provided extensive information on all spending on secret items, which includes detailed, line item descriptions of all expenditures.</p> <p>b. No, the legislature is provided information on spending on secret items, but some details are excluded, or some categories are presented in an aggregated manner, or the legislature is provided no information on secret items.</p> <p>c. Not applicable/other (please comment).</p> <p><u>Citation:</u> Annual Printed Estimates of Expenditure 2007/08 found at Government Printer, Nairobi, Kenya.</p> <p><u>Comment:</u> The Legislature is provided with some information on secret items. The Legislative Committee on Defense and Security is also given some information.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>b</p>
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<p>80. Does the legislature have authority <i>in law</i> to amend the budget presented by the executive?</p> <ul style="list-style-type: none"> a. Yes, the legislature has unlimited authority <i>in law</i> to amend the budget. b. Yes, the legislature has authority <i>in law</i> to amend the budget, with some limitations. c. Yes, the legislature has authority <i>in law</i> to amend the budget, but its authority is very limited. d. No, the legislature does not have any authority <i>in law</i> to amend the budget. e. Not applicable/other (please comment). <p><u>Citation:</u> Section 48 of the Constitution of the Republic of Kenya</p> <p><u>Comment:</u> The above section provides that parliament cannot increase the taxes or budgetary allocations even if such inaction will have disastrous effects, like poor delivery of services. Members of parliament can only propose nominal reductions on specific items as a sanction for non-performing ministries but they cannot reject the budget for a ministry. Such reductions must also be sanctioned by the President through the Minister of Finance. The Kenyan parliament rarely does this. Parliament can thus not introduce new expenditure or tax measures. Under the Constitution, a rejection of the budget would constitute a Vote of No Confidence on the government necessitating fresh elections.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>C</p>
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<p>81. What is the most detail provided in the appropriation (expenditure budget) approved by the legislature?</p> <ul style="list-style-type: none"> a. The approved budget includes program-level detail. b. The approved budget includes departmental totals and some additional details (for instance, sub-department totals or major programs). c. The approved budget includes only departmental totals. d. The approved budget includes less information than departmental totals. e. Not applicable/other (please comment). <p><u>Citation:</u> Appropriation Bill 2007/08, Government Printer, Nairobi, Kenya</p> <p><u>Comment:</u> For the first time in the financial year 2007/08 the appropriation bill has also included program level detail as part of entrenching program based performance budgeting. The Appropriation Bill also includes total estimates of ministries plus the money already withdrawn under Vote on Accounts (50 percent of expenditure to be spent by the government pending approval of the Budget). The Bill also has a schedule that describes both recurrent and development expenditure vote number, a paragraph describing service or purpose, the supply amount and appropriation-in-aid (funds raised by ministries by providing services), printed estimates and external donor funding. All these are in Appropriation Bill for enactment by the Legislature (The answer selected demonstrates an improvement from 2006 round of research).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
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Executive's Implementation of the Budget	
<p>82. How often does the executive release to the public in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?</p> <ol style="list-style-type: none"> In-year reports on actual expenditure are released at least every month. In-year reports on actual expenditure are released at least every quarter. In-year reports on actual expenditure are released at least semi-annually. In-year reports on actual expenditure are not released. Not applicable/other (please comment). <p><u>Citation:</u> Central Bank of Kenya Monthly Economic Reviews Quarterly Economic and Budgetary Review-Second Quarter 2006/2007 March 2007 Edition http://www.treasury.go.ke/downloads/qbrdec2006.pdf</p> <p><u>Comment:</u> The government releases the Quarterly Economic and Budgetary Review every quarter of the financial year. It reports, among other issues, actual expenditure for the quarter period under review though the report has limited public circulation. It is posted on the website of the Ministry of Finance. The Central Bank of Kenya also publishes a Monthly Economic Review on behalf of the Government.</p> <p><u>Researcher's Response to this Question was "b."</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> The quarterly economic and budgetary review, however, does not include expenditure categorized by functions.</p> <p><u>Researcher Response:</u> I suggest the answer should remain as I indicated in the questionnaire, "b." I chose my answer because the in-year reviews are released every quarter and the expenditures are organized by administrative units.</p> <p><u>IBP Comment:</u> IBP editors chose answer, "b" to maintain the consistency of the assumptions used in selecting answers across the countries</p>	b

<p>83. What share of expenditure is covered by in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?</p> <ol style="list-style-type: none"> Yes, in-year reports cover all expenditures. Yes, in-year reports cover at least two-thirds, but not all, of expenditures. Yes, in-year reports cover less than two-thirds of expenditures. No in-year reports are released to the public. Not applicable/other (please comment). <p><u>Citation:</u> Quarterly Economic and Budgetary Review-Second Quarter 2006/2007 March 2007 Edition http://www.treasury.go.ke/downloads/qbrdec2006.pdf</p> <p><u>Comment:</u> The above document covers all expenditures organized by economic and administrative classification.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>84. What is the most detail provided in the in-year reports on actual expenditures organized by <i>administrative unit</i>?</p> <ol style="list-style-type: none"> The in-year reports on actual expenditures organized by administrative unit contain program-level detail. The in-year reports on actual expenditures organized by administrative unit contain departmental totals and some additional details (for instance, sub-department totals or major programs). The in-year reports on actual expenditures organized by administrative unit contain only departmental totals. The in-year reports on actual expenditures organized by administrative unit are not released to the public, not produced, or contain less information than departmental totals. Not applicable/other (please comment). <p><u>Citation:</u> Quarterly Economic and Budgetary Review-Second Quarter 2006/2007 March 2007 Edition pgs.12, 24-25 http://www.treasury.go.ke/downloads/qbrdec2006.pdf</p> <p><u>Comment:</u> The in-year report on actual expenditures organized by administrative units only contains departmental totals divided into recurrent and development expenditures.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c

<p>85. Do the in-year reports released to the public compare actual year-to-date expenditure with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?</p> <ul style="list-style-type: none"> a. Yes, comparisons are made for all expenditures. b. Yes, comparisons are made for at least two-thirds, but not all, of expenditures. c. Yes, but comparisons are made for less than two-thirds of expenditures. d. No, comparisons are not made, or no in-year reports are released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> Quarterly Economic Budgetary Review-Second Quarter 2006/2007 March 2007 Edition pages 7, 10-14 at http://www.treasury.go.ke/downloads/qbrdec2006.pdf</p> <p><u>Comment:</u> The in-year report compares actual year-to-date expenditure with the original estimate for that period. On page 7 of the report it also compares the actual year-to-date with the same period the previous year.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>86. How often does the executive release to the public in-year reports on actual revenue collections by source of revenue?</p> <ul style="list-style-type: none"> a. In-year reports on actual revenue collections by source of revenue are released at least every month. b. In-year reports on actual revenue collections are released at least every quarter. c. In-year reports on actual revenue collections are released at least semi-annually. d. In-year reports on actual revenue collections by source of revenue are not released. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> Quarterly Economic Budgetary Review-Second Quarter 2006/2007 March 2007 Edition pgs.7-9 at http://www.treasury.go.ke/downloads/qbrdec2006.pdf</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<p>87. What share of revenue is covered by the in-year reports on actual revenue collections?</p> <ul style="list-style-type: none"> a. In-year reports cover the actual revenue collections of all sources of revenue. b. In-year reports cover the actual revenue collections of at least two-thirds of, but not all, sources of revenue. c. In-year reports cover actual revenue collections of less than two-thirds of revenue sources. d. In-year reports on actual revenue collections are not released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> Quarterly Economic and Budgetary Review-Second Quarter 2006/2007 March 2007 Edition pg.7-9 at http://www.treasury.go.ke/downloads/qbrdec2006.pdf</p> <p><u>Comment:</u> The Quarterly Economic and Budget Review covers the actual revenue collections of all sources of revenue. These include ordinary revenue, appropriation-in-aid, grants and even external aid.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>88. Do the in-year reports released to the public compare actual year-to-date revenue collections with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?</p> <ul style="list-style-type: none"> a. Yes, comparisons are made for all revenue sources. b. Yes, comparisons are made for at least two-thirds of, but not all, revenue sources. c. Yes, but comparisons are made for less than two-thirds of revenue sources. d. No, comparisons are not made, or no in-year reports are released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> Quarterly Economic and Budgetary Review-Second Quarter 2006/2007 March 2007 Edition pg.7-9 at http://www.treasury.go.ke/downloads/qbrdec2006.pdf</p> <p><u>Comment:</u> The in-year report compares actual year-to-date revenue collection with the budget targets or original estimates for that period and even the same period in the previous year.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>89. Does the executive release to the public in-year reports on actual borrowing?</p> <ul style="list-style-type: none"> a. Yes, in-year reports on actual borrowing are released at least every month. b. Yes, in-year reports on actual borrowing are released at least every quarter. c. Yes, in-year reports on actual borrowing are released at least semi-annually. d. No, in-year reports on actual borrowing are not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Quarterly Economic and Budgetary Review-Second Quarter 2006/2007 March 2007 Edition pg.15-17 at http://www.treasury.go.ke/downloads/qbrdec2006.pdf</p> <p><u>Comment:</u> For example, in the fourth quarter of FY 06/07, the government net borrowing was Kshs.34.7 billion. This amount comprised of a net borrowing of Kshs.12.5 billion from Central Bank, Kshs.7.3 billion from Commercial Banks, Kshs.18.8 billion from Non-Bank Financial Institutions and a net repayment of Kshs.3.9 billion to Non-Residents. The report also compares this period with the same period in the previous financial year.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>b</p>
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<p>90. Do in-year reports released to the public on actual borrowing present information related to the composition of government debt (such as interest rates on the debt, maturity profile of the debt, and currency denomination of the debt) for the budget year?</p> <ol style="list-style-type: none"> Yes, extensive information related to the composition of government debt is presented. Yes, key additional information is presented, but some details are excluded. Yes, some additional information is presented, but it lacks important details. No, additional information related to the composition of government debt is not presented, or such in-year reports on borrowing are not released. Not applicable/other (please comment). <p><u>Citation:</u> Quarterly Economic and Budgetary Review-Second Quarter 2006/2007 March 2007 Edition pgs.18-23 at http://www.treasury.go.ke/downloads/qbrdec2006.pdf</p> <p><u>Comment:</u> Key information related to the composition of government debt is presented in the Quarterly Economic and Budgetary Report.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> The only information provided on government debt composition in the quarterly economic and budgetary reviews includes the aggregate figures for the domestic and external debt as well as the principal and interest on the external debt.</p>	b
<p>91. For in-year reports on actual expenditure released to the public by the executive, how much time typically elapses between the end of the reporting period and when the report is released (e.g., are quarterly reports released less than 4 weeks after the end of the quarter)?</p> <ol style="list-style-type: none"> Reports are released 1 month or less after the end of the period. Reports are released 2 months or less (but more than 1 month) after the end of the period. Reports are released more than 2 months after the end of the period. In-year reports are not released. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The reports are released usually three to five weeks after the end of the quarter.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<p>92. Does the executive release to the public a mid-year review of the budget that discusses the changes in economic outlook since the budget was enacted?</p> <ul style="list-style-type: none"> a. Yes, the mid-year review includes an extensive discussion of the economy that includes a revised forecast for the full fiscal year and its effects on the budget. b. Yes, the mid-year review includes a discussion of the economy, but it lacks some details. c. Yes, the mid-year review includes a discussion of the economy, but it lacks important details. d. No, the mid-year review does not include a discussion of the economy, or the executive does not release a mid-year review of the budget. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The executive does not produce a mid-year review of the Budget. This is one weakness of the implementation and monitoring process of the Kenyan Budget. There is a great need for a mid-year review of the state of the budget and the economy to help in revising the forecast for the full fiscal year.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>93. Does the executive release to the public a mid-year review of the budget that includes updated expenditure estimates for the budget year underway?</p> <ul style="list-style-type: none"> a. Yes, the mid-year review includes updated expenditure estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels. b. Yes, the mid-year review includes updated estimates of expenditure, but some details on why estimates have changed are not provided. c. Yes, the mid-year review includes updated estimates of expenditure, but important details on why estimates have changed are not provided. d. No, the mid-year review does not include updated expenditure estimates for the budget year, or the executive does not release a mid-year review of the budget. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The executive does not produce a mid-year review.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>94. What is the most detail provided in the mid-year review for expenditures?</p> <ul style="list-style-type: none"> a. The mid-year review includes program-level detail for expenditures. b. The mid-year review includes departmental totals (or functional totals) and some additional details (for instance, sub-department totals or major programs). c. The mid-year review includes only departmental totals (or functional totals). d. The mid-year review includes less information than departmental totals (or functional totals) for expenditures, or the executive does not release a mid-year review of the budget. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The executive does not produce a mid-year review.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>95. Does the executive release to the public a mid-year review of the budget that includes updated revenue estimates for the budget year underway?</p> <ul style="list-style-type: none"> a. Yes, the mid-year review includes updated revenue estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels. b. Yes, the mid-year review includes updated estimates of revenue, but some details on why estimates have changed are not provided. c. Yes, the mid-year review includes updated estimates of revenue, but important details on why estimates have changed are not provided. d. No, the mid-year review does not include updated revenue estimates for the budget year, or the executive does not release a mid-year review of the budget. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The executive does not produce a mid-year review of the budget.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>96. Does the executive seek input from the legislature when the executive shifts funds between administrative units (except when the amounts are below a certain <i>minimal</i> level specified in law or regulation)?</p> <ol style="list-style-type: none"> a. Yes, the executive seeks approval from the legislature before shifting funds between administrative units. b. Yes, the executive gives prior notification to the legislature before shifting funds, giving the legislature an opportunity to block or modify the proposed adjustment. c. Yes, the executive seeks legislative approval, but only after the shift of funds has been implemented. d. No, the executive shifts funds between administrative units without seeking input from the legislature, or the amount allowed under the law or by regulation is significantly large enough to undermine public scrutiny and accountability (please describe arrangements below). e. Not applicable/other (please comment). <p><u>Citation:</u> Section 100 (3) of the Constitution of the Republic of Kenya allows the government to incur expenditure in excess of authorized amount without providing for any vetting mechanism upfront.</p> <p><u>Comment:</u> The Supplementary Budget mainly consists of reallocations from slow spending ministries to those spending fast, and adjustments made within votes. This sometimes includes additional expenditures due to emergencies. Parliament thus approves these expenditures ex-post making parliamentary approval meaningless as a measure of control.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>C</p>
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<p>97. During the past year, have there been credible reported instances in which the procurement of goods and services has not followed an open and competitive process in practice?</p> <ol style="list-style-type: none"> a. There were no credible reported instances of procurement failing to follow an open and competitive process in practice during the past year. b. The procurement of goods and services frequently followed an open and competitive process in practice, but there were some reported instances of irregularities. c. The procurement of goods and service followed an open and competitive process in many instances, but there were significant reported examples of irregularities. d. No, the procurement process was not open and competitive in practice. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The procurement of goods and services followed an open and competitive process in many instances, but there were significant reported examples of irregularities. First, was the award of a tender to an Israeli company to overhaul four Russian military choppers for Kshs. 840 million. The procurement process was questioned in parliament as it was seen to be opaque and single sourced. The government refused to give any information on this tender. Second, there was the Kenya Airport Authority Modernization project which was initially meant for renovation of the Jomo Kenyatta International Airport and the transfer of domestic flights to the old Embakasi airport. But the contract was later secretly changed and the plan to move domestic flights to the old airport dropped. The initial project was Kshs.840 million, which spontaneously rose to Kshs.10 billion without retendering as required by Public Procurement and Disposal Act. Then there was the East Africa Portland Cement Procurement problem and the Anglo-Leasing procurement scandal of 2004 continuing to raise more questions.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>C</p>
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<p>98. When does the legislature typically approve supplemental budgets?</p> <ol style="list-style-type: none"> Supplemental budgets are approved before the funds are expended, or the executive rarely proposes a supplemental budget (please specify). Supplemental budgets are approved after the funds are expended, or the executive implements supplemental budgets without ever receiving approval from the legislature (please specify). Not applicable/other (please comment). <p><u>Citation:</u> Section 100(1) of the Constitution of Kenya</p> <p><u>Comment:</u> The adjustment budget expenditures are approved ex-post by parliament. Although Section 100(1) of the Constitution of the Republic of Kenya empowers parliament to be the only body to authorize public spending, sub-section 3(b) allows the government to incur expenditure in excess of authorized amounts without providing for any parliamentary approval upfront. The government thus asks for approval after spending the funds.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b
<p>99. In most years, how large are supplemental budget requests relative to the size of the original budget?</p> <ol style="list-style-type: none"> Supplemental budgets are generally equal to 2 percent or less of the original budget. Supplemental budgets are generally equal to more than 2 percent, but less than 5 percent, of the original budget. Supplemental budget are generally equal to more than 5 percent, but less than 10 percent, of the original budget. Supplemental budget are generally equal to 10 percent or more of the original budget, or insufficient information is available to the public regarding the amount of supplemental budgets. Not applicable/other (please comment). <p><u>Citation:</u> Budget Speech 2007/2008 page 24 found at http://www.treasury.go.ke/downloads/Budget_Speech_2007.pdf</p> <p><u>Comment:</u> The 2006/07 Supplementary Appropriation Bill amounted to Kshs.26.9 billion, which was about 4 percent of original budget. Supplementary Budgets for most of the years have not passed 10 percent. (Reassessment led to change of response)</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c

100. When does the legislature approve the expenditure of contingency funds or other funds for which no specific purpose was identified in the budget?

- a. Expenditures are approved before the funds are expended, or contingency funds or other funds with no specific purposes are not included in the budget.
- b. Expenditures are approved after the funds are expended, but before the end of the fiscal year.
- c. Expenditures are approved after the end of the fiscal year, for example in the next budget.
- d. Such expenditure takes place without legislative approval.
- e. Not applicable/other (please comment).

Citation:

Response from Ms. Phyllis Makau, Principal Budget Officer, Parliamentary Budget Office on October 5, 2007
Section 102 of the Constitution of the Republic of Kenya.

Comment:

Supplementary Estimates are approved by parliament after the funds have been expended. It also includes the contingency funds, which need re-embursement. Section 102 of the Constitution of the Republic of Kenya establishes the Civil Contingency Fund to finance unexpected and unforeseen emergencies. Ministries can withdraw upto Kshs.2 billion from the fund with the Minister of Finance's authority and approval done by parliament through the supplementary budget.

b

Researcher's Response to this Question was "b."

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "a." As parliament is approving the Appropriations Bill, there is a provisional approval of a contingency fund. But as explained by the Researcher, any expenditure charged to the contingency fund must be approved by the Minister for Finance.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire, "b." I chose my answer as per my earlier comment above.

IBP Comment: IBP editors chose answer, "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

Executive's Year-end Report and the Supreme Audit Institution	
<p>101. How long after the end of the budget year does the executive release to the public a year-end report that discusses the budget's actual outcome for the year?</p> <ol style="list-style-type: none"> a. The report is released six months or less after the end of the fiscal year. b. The report is released 12 months or less (but more than six months) after the end of the fiscal year. c. The report is released more than 12 months after the end of the fiscal year. d. The executive does not release a year-end report. e. Not applicable/other (please comment). <p><u>Citation:</u> Quarterly Economic and Budgetary Review-Fourth Quarter 2006/2007 August 2007 Edition http://www.treasury.go.ke/downloads/qebr_June_2007.pdf</p> <p><u>Comment:</u> The fourth quarter report (Quarterly Economic and Budgetary Review), which serves as the end year report is released within six months after the end of the fiscal year. It provides extensive discussion of the budget including overall fiscal balance, total revenue collection, government expenditure and net lending, stock of pending bills, guaranteed loans, external financing, net domestic borrowing, public external and domestic debt among others issues.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> The Quarterly Economic and Budgetary Reviews show actual fiscal outcomes for the respective quarters on a cumulative basis. In this regard the fourth quarter report can advisedly be considered as a year-end report because covers the overall fiscal position for the year. From the above citation pp. (iv-v) give summary highlights of revenue collection, expenditure, public debt, net borrowing and other fiscal outcomes for the budget year. There is an Annual Progress Report – this is released 12 months after the end of the fiscal year under review. Public Expenditure Reviews could suffice as a year end report, but they only report health and education expenditures in any detail – and even fewer details of other sectors. Not all the sectors are covered.</p>	a

<p>102. In the year-end report have the data on the actual outcomes been audited?</p> <ol style="list-style-type: none"> Yes, all data on actual outcomes have been audited. At least two-thirds, but not all, of the data on actual outcomes have been audited. Less than two-thirds of the data on actual outcomes have been audited. None of the data on actual outcomes has been audited, or a year-end report is not released. Not applicable/other (please comment). <p><u>Citation:</u> Quarterly Economic and Budgetary Review-Fourth Quarter 2006/2007 August 2007 Edition http://www.treasury.go.ke/downloads/qebr_June_2007.pdf</p> <p><u>Comment:</u> None of the data on the actual outcome has been audited by the time this report is released. For example, the Quarterly Economic and Budgetary Review for 2006/07 was released in August 2007 just one month after the end of the fiscal year (Re-assessment led to change of response by the Researcher).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>103. Does the year-end report explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?</p> <ol style="list-style-type: none"> Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key differences, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or such a report is not released. Not applicable/other (please comment). <p><u>Citation:</u> Quarterly Economic and Budgetary Review-Fourth Quarter 2006/2007 August 2007 Edition, http://www.treasury.go.ke/downloads/qebr_June_2007.pdf</p> <p><u>Comment:</u> The Quarterly Economic and Budgetary Review does not give explanations about the differences between enacted and actual expenditure. Such information is found in the Public Expenditure Reviews.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<p>104. What level of detail is the focus of the explanation of the differences between the enacted levels and the actual outcome for expenditures presented in the year-end report?</p> <ul style="list-style-type: none"> a. The explanation of the differences between the enacted expenditure levels and the actual outcome focuses on the program level. b. The explanation focuses on departmental totals (or functional totals) or some lower level of detail (but not the program level in all cases). c. The explanation focuses on a higher level of aggregation than departmental totals (or functional totals). d. No explanation of the differences is provided, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Quarterly Economic and Budgetary Review-Fourth Quarter 2006/2007 August 2007 Edition, http://www.treasury.go.ke/downloads/qebr_June_2007.pdf</p> <p><u>Comment:</u> This report gives extensive explanation of the differences between enacted expenditure levels and the actual outcome focuses largely at the departmental totals but not the program level in all cases.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b
<p>105. Does the year-end report explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key differences, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Quarterly Economic and Budgetary Review-Fourth Quarter 2006/2007 August 2007 Edition, http://www.treasury.go.ke/downloads/qebr_June_2007.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>106. Does the year-end report explain the difference between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?</p> <ol style="list-style-type: none"> Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key differences, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or such a report is not released. Not applicable/other (please comment). <p><u>Citation:</u> Quarterly Economic and Budgetary Review-Fourth Quarter 2006/2007 August 2007 Edition, http://www.treasury.go.ke/downloads/qebr_June_2007.pdf</p> <p><u>Comment:</u> This report concentrates mainly on fiscal outturns not macroeconomic forecasts.</p> <p><u>Peer Reviewer One Comment:</u> In addition, annual reviews of Economic Recovery Strategy and Public Expenditure Reviews clearly provide for this.</p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>107. Does the year-end report explain the difference between the original estimates of non-financial data and the actual outcome?</p> <ol style="list-style-type: none"> Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key differences, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or such a report is not released. Not applicable/other (please comment). <p><u>Citation:</u> Quarterly Economic and Budgetary Review-Fourth Quarter 2006/2007 August 2007 Edition, http://www.treasury.go.ke/downloads/qebr_June_2007.pdf</p> <p><u>Comment:</u> The Report does not present non-financial data in terms of outcomes.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>108. Does the year-end report explain the difference between the original performance indicators and the actual outcome?</p> <ol style="list-style-type: none"> Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key differences, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or such a report is not released. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The report does give some explanation on the difference between the original performance indicators and the actual outcome but it lacks important details (Re-assessment has led to a change in response from 2006 round of research).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	C
<p>109. Does the year-end report explain the difference between the enacted level of funds intended to benefit directly the country's most impoverished populations and the actual outcome?</p> <ol style="list-style-type: none"> Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key differences, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or such a report is not released. Not applicable/other (please comment). <p><u>Citation:</u> Quarterly Economic and Budgetary Review-Fourth Quarter 2006/2007 August 2007 Edition page 24, http://www.treasury.go.ke/downloads/qebr_June_2007.pdf</p> <p><u>Comment:</u> This fourth quarter report include some information about core poverty programs but it lacks important details.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	C

<p>110. Does the year-end report present the actual outcome for extra-budgetary funds?</p> <ul style="list-style-type: none"> a. Yes, extensive information on the actual outcome for extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key issues, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information is not presented on extra-budgetary funds, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> No information is presented on extra-budgetary funds.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<i>The Independence and Performance of the Supreme Audit Institution</i>	
<p>111. How long after the end of the fiscal year are the final annual expenditures of national departments audited and (except for secret programs) released to the public?</p> <ul style="list-style-type: none"> a. Final audited accounts are released to the public six months or less after the end of the fiscal year. b. Final audited accounts are released 12 months or less (but more than six months) after the end of the fiscal year. c. Final audit accounts are released more than 12 months, but within 24 months of the end of the fiscal year. d. Final audited accounts are not completed within 24 months after the end of the fiscal year or they are not released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> Public Audit Act 2003</p> <p><u>Comment:</u> Although the Public Audit Act requires the Controller and Auditor-General to submit to the Minister of Finance audited report of public accounts not later than six months on the lapse of the financial year, in practice this has never happened. There has been considerable and commendable improvement on the Auditor-General trying to make timely audit report of the budget.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c

112. Two years after the completion of a fiscal year, what percentage of annual expenditures has been audited and (except for secret programs) the report(s) released to the public?

- a. All expenditures have been audited and the reports released to the public.
- b. Expenditures representing at least two-thirds of, but not all, expenditure have been audited.
- c. Expenditure representing less than two-thirds of expenditure have been audited.
- d. No expenditures have been audited, the reports have not been released to the public, or was released more than 24 months after the end of the fiscal year.
- e. Not applicable/other (please comment).

Citation:

Comment:

By that time, the Controller and Auditor General have submitted the report and it has been released to the public. I chose "b" because the extra-budgetary funds are not audited and so not all expenditures have been audited.

Researcher's Response to this Question was "b."

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "a" because final audit reports are normally released two years after completion of a fiscal year the assumption is that all the expenditures will have been audited.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire, "b." I chose my answer because despite the Controller and Auditor General submitting his report within the two years after completion of the fiscal year, extra budgetary funds don't get audited and there is only an assumption that all expenditures have been audited.

IBP Comment: IBP editors chose answer, "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

b

<p>113. Does the annual audit report(s) that is released to the public include an executive summary?</p> <ol style="list-style-type: none"> The annual audit report(s) includes one or more executive summaries summarizing the report's content. No, the audit report(s) does not include an executive summary, or such reports are not released to the public, or was released more than 24 months after the end of the fiscal year. Not applicable/other (please comment). <p><u>Citation:</u> Kenya Annual Audit Report 2005/06, Government Printer, Nairobi, Kenya.</p> <p><u>Comment:</u> The annual audit reports released to the public have executive summaries. The reports are not posted on the Internet but can be bought from the Government Printer located in the capital city of Nairobi, Kenya.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>114. Must a branch of government other than the executive (such as the legislature or the judiciary) give final consent before the head of the Supreme Audit Institution (SAI) can be removed from office?</p> <ol style="list-style-type: none"> Yes, the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before they are removed. No, the executive may remove the head of the SAI without the final consent of the judiciary or legislature. Not applicable/other (please comment). <p><u>Citation:</u> Exchequer and Audit Act (Cap.412) Section 105 of the Constitution of the Republic of Kenya</p> <p><u>Comment:</u> The above Act establishes the Office of Controller and Auditor-General as the Auditor of national Assembly/Parliament. The Controller and Auditor General is appointed by the President but is independent of the Executive and has tenure of office provided for by the Constitution of the Republic of Kenya -- and therefore cannot be removed from Office without parliamentary approval. He acts at the behest of parliament and not the executive. The Office also has an independent Board of Directors.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>115. Does the Supreme Audit Institution release to the public audits of extra-budgetary funds?</p> <ul style="list-style-type: none"> a. Yes, the SAI releases to the public audits of all extra-budgetary funds. b. Yes, the SAI releases audits representing at least two-thirds of, but not all, extra-budgetary funds. c. Yes, the SAI releases audits representing less than two-thirds of all extra-budgetary funds. d. No, the SAI does not release to the public audits of extra-budgetary funds, or it does not audit such funds, or such a report was released more than 24 months after the end of the fiscal year. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Extra-budgetary funds are not audited. Given that these funds are not adequately controlled, they are usually used to sidestep the tighter controls of the main budget funds. The funds are also not fully covered in the budget.</p> <p><u>Researcher’s Response to this Question was “d.”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “a ” because final audit reports are normally released two years after completion of a fiscal year and the assumption is that all the expenditures will have been audited.</p> <p><u>Researcher Response:</u> I suggest the answer should remain as I indicated in the questionnaire, “d.” I chose my answer as per my earlier comments above.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>d</p>
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<p>116. Beyond the established year-end attestation audits, does the Supreme Audit Institution (SAI) have <i>the discretion in law</i> to undertake those audits it may wish to?</p> <ul style="list-style-type: none"> a. The SAI has full discretion to decide which audits it wishes to undertake. b. The SAI has significant discretion, but faces some limitations. c. The SAI has some discretion, but faces considerable limitations. d. The SAI has no discretion to decide which audits it wishes to undertake. e. Not applicable/other (please comment). <p><u>Citation:</u> Exchequer and Audit Act Section 105(2) of the Constitution of the Republic of Kenya Website of the Controller and Audit General's Office at http://www.auditor-general.go.ke/</p> <p><u>Comment:</u> The legislation under which the Kenya Audit Office operates does not limit the scope of audit that may be carried out by the Controller and Auditor General except in the area of policy. The scope of audit work done is therefore determined by the office but is dependent on audit resources available. The C&AG has powers to audit and report on the public accounts of the Government of Kenya, the accounts of all government officers and authorities, the accounts of all courts and commissions, and the accounts of the Clerk of the National Assembly. He is required to audit accounts of all local authorities. The Act states "...In the exercise of his functions, the Controller and Auditor General shall not be subject to the direction or control of any other person and authority." (Re-assessment has led to a change in response from 2006 round of research).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> See Exchequer and Audit Act (cap 412) part V</p>	<p>a</p>
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<p>117. Who determines the budget of the Supreme Audit Institution?</p> <ul style="list-style-type: none"> a. The budget of the SAI is determined by the legislature or judiciary (or some independent body), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate. b. The budget of the SAI is determined by the executive, and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate. c. The budget of the SAI is determined by the legislature or judiciary (or some independent body), but the funding level is not consistent with the resources the SAI needs to fulfill its mandate. d. The budget of the SAI is determined by the executive, but the funding level is not consistent with the resources the SAI needs to fulfill its mandate. e. Not applicable/other (please comment). <p><u>Citation:</u> Public Audit Act 2003</p> <p><u>Comment:</u> The above Act establishes the Kenya National Audit Commission with powers to determine the budget for the Office, remunerations and other terms of appointments of staff. The funding levels are not consistent with the resources the office needs to fulfill its mandate. The office has an independent Board of Directors, which include the head of official opposition in parliament.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>C</p>
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<p>118. Does the Supreme Audit Institution employ designated staff for undertaking audits of the central government agencies pertaining to the security sector (military, police, intelligence services)?</p> <ul style="list-style-type: none"> a. The SAI employs designated staff, and the staffing levels are broadly consistent with the resources the SAI needs to fulfill its mandate. b. The SAI employs designated staff, but the staffing levels are a cause of some constraints to the SAI in fulfilling its mandate. c. The SAI employs designated staff, but the staffing levels pose a significant constraint on the SAI in fulfilling its mandate. d. The SAI does not employ designated staff for auditing of the security sector, or does not undertake audits of the security sector. e. Not applicable/other (please comment). <p><u>Citation:</u> Kenya National Audit Office found at www.kenao.go.ke</p> <p><u>Comment:</u> Since the formation of the Kenya National Audit Commission with powers to determine the budget for the office, there has been great improvement and SAI has had enough resources to fulfill its mandate. Currently it has a staff of 546, made up of 404 auditors and 142 support staff.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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<p>119. Does the Supreme Audit Institution maintain formal mechanisms of communication with the public to receive complaints and suggestions to assist it in determining its audit program (that is, to identify the agencies, programs, or projects it will audit)?</p> <ul style="list-style-type: none"> a. Yes, the SAI maintains mechanisms of communication with the public, and received more than 100 communications from the public during the past year. b. Yes, the SAI maintains mechanisms of communication with the public, and received less than 100 but more than ten communications from the public during the past year. c. Yes, the SAI maintains mechanisms of communication with the public but it receives very little (less than ten) or no information from the public on potential subjects for audit. d. No, the SAI does not maintain any formal mechanisms of communication with the public. e. Not applicable. <p><u>Citation:</u></p> <p><u>Comment:</u> The SAI does not maintain any formal mechanism of communication with the public. Recently the government formed Office of the Ombudsman but it has yet to be known how it will relate to the C&AG.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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<p>120. Does a committee of the legislature view and scrutinize the audit reports?</p> <ul style="list-style-type: none"> a. Yes, all audit reports are scrutinized. b. Yes, most audit reports are scrutinized. c. Yes, some audit reports are scrutinized. d. No, audit reports are not scrutinized. e. Not applicable/other (please comment). <p><u>Citation:</u> Interview with Ms. Phyllis Makau, Principal Budget Officer, Parliamentary Budget Office on October 5, 2007 Kenya National Assembly Standing Orders No.147 (1) and No.148 (1)</p> <p><u>Comment:</u> The above standing orders establish parliamentary watchdog committees: Parliamentary Accounts Committee (PAC) and Parliamentary Investment Committee (PIC) to enhance the effectiveness of the surveillance over the collection and use of public money. The Committees examine government expenditure and investment to ensure that the budgeted expenditure is utilized according to parliamentary approval and authority. When parliament receives C&AG audit reports, it refers them to PAC and PIC for detailed scrutiny and PAC and PIC report back to parliament with recommendations. If parliament accepts PIC and PAC reports and recommendations, the government is required to implement them.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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<p>121. Does the executive make available to the public a report on what steps it has taken to address audit recommendations or findings that indicate a need for remedial action?</p> <ul style="list-style-type: none"> a. Yes, the executive reports publicly on what steps it has taken to address audit findings. b. Yes, the executive reports publicly on most audit findings. c. Yes, the executive reports publicly on some audit findings. d. No, the executive does not report on steps it has taken to address audit findings. e. Not applicable/other (please comment). <p><u>Citation:</u> Memorandum on the Implementaton of PAC and PIC Reports,Government Printer, Nairobi, Kenya.</p> <p><u>Comment:</u> The executive publishes a Memorandum on the Implementation Status of PAC (Parliamentary Accounts Committee) and PIC (Parliamentary Investment Committee) report but this report does not include follow-ups on all recommendations.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>C</p>
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<p>122. Does either the Supreme Audit Institution or the legislature release to the public a report that tracks actions taken by the executive to address audit recommendations?</p> <ul style="list-style-type: none"> a. Yes, a comprehensive report is released regularly that tracks actions taken by the executive to address audit recommendations. b. Yes, a report is released, covering key audit recommendations, but some details are excluded. c. Yes, a report is released, but it lacks important details. d. No, a report is not produced or it is prepared for internal purposes only (please specify). e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The Ministry of Finance issues a Memorandum on the Implementation Status of PAC/PIC report, which gives a brief outline of what the executive has done following the recommendations. Parliament does not follow up on the effectiveness of the remedial measures and therefore does not release any follow-up report. Both C&AG and the two parliamentary watchdogs (PAC and PIC) have no enforcement authority or powers. They can only make recommendations to the executive but have no way of enforcing the measures. The law is also quiet on what should happen in the event that the Minister for Finance fails to act on irregularities in expenditure once he is informed of the same by the C&AG. (Re-assessment has led to a change in response from 2006 round of research.)</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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<p>123. Are audit reports of the annual accounts of the security sector (military, police, intelligence services) and other secret programs provided to the legislature (or relevant committee)?</p> <ul style="list-style-type: none"> a. Yes, legislators are provided with detailed audit reports related to the security sector and other secret programs. b. Yes, legislators are provided audit reports on secret items, but some details are excluded. c. Yes, legislators are provided audit reports on secret items, but they lack important details. d. No, legislators are not provided audit reports on secret items, or secret programs are not audited (please specify). e. Not applicable/other (please comment). <p><u>Citation:</u> Interview with a Member of Parliamentary Accounts Committee, 16 th June 2007</p> <p><u>Comment:</u> Audit reports of annual accounts of government departments that provide security and other secret programs are not provided to the legislatures for scrutiny. They are not subject to scrutiny by Public Accounts Committee (PAC). Due to such secrecy of their audit reports, the sector has been hit by many corruption scandals and therefore there is need for their audits to be subjected to parliamentary scrutiny "in camera" by a parliamentary Committee (whose members are sworn to secrecy) just as is the standard practice in many democracies around the world.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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Additional Comments:

Please use this section to add any additional comments.

Researcher Additional Comments:

For the Kenyan Budget, the following documents are released during Budget presentation in Parliament by the Minister for Finance:

- Budget Speech
- Annual Printed Estimates of Expenditure
- Finance Bill
- Revenue Booklet
- Financial Statement
- Provisional Collection of Taxes Order
- Subsidiary Legislation
- Statistical Annex

Note: The Kenya National Audit Office declined to give any information that we requested. The deputy director of audit Mr. P.M Njuguna told us that we have to seek a letter of authority from the Office of the President. At the Office of the President we were told that the information sought was sensitive and could be used against the government and the President as a tool to frustrate his efforts to win the Presidency on December 2007. We did write a letter to the Auditor General on the same but never got any reply.