

International Budget Project
OPEN BUDGET QUESTIONNAIRE

KENYA

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International Budget Project
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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	2005/2006
Budget Summary	2005/2006
Executive's Budget Proposal	2005/2006
Supporting Budget Documents	2005/2006
Citizen's Budget	Not Available
Enacted Budget	2005/2006
In-Year Reports	2004/2005
Mid-Year Report	Not Available
Year-End Report	<i>2003/2004 The 4th Quarter report provides an extensive discussion of provisional outturn</i>
Audit Report	2003/2004

Table 2. Internet Links for Key Budget Documents

Please provide the Internet link for the document, or indicate one of these three answers: “Not Produced,” “Produced but Not Available to the Public,” “Publicly Available, But Not on the Internet.”

Budget Document	Website
Pre-Budget Statement	The MTBSP: www.treasury.go.ke/keydocs.html The Budget Outlook paper: http://www.treasury.go.ke/docs/Finance%20Bill%202005-2006-Final.pdf
Budget Summary	www.treasury.go.ke/speeches/2005%20Budget%20speech.pdf
Executive’s Budget Proposal	Publicly Available, But Not on the Internet
Supporting Budget Documents	www.treasury.go.ke/keydocs.html
Citizens Budget	Not Produced
Enacted Budget	Publicly Available, But Not on the Internet
In-Year Reports	www.treasury.go.ke/keydocs.html www.centralbank.go.ke
Mid-Year Review	Not Produced
Year-End Report	Fourth quarter in-year report: www.treasury.go.ke/keydocs.html
Audit Report	Publicly Available, But Not on the Internet
Other Documents	www.treasury.go.ke/keydocs.html
Relevant Ministries & Departments	Ministry of Finance- www.treasury.go.ke Ministry of Planning- www.planning.go.ke Central Bank of Kenya- www.centralbank.go.ke The Exchequer and Audit Department- www.auditor-general.go.ke Kenya Revenue Authority- www.kra.go.ke Central Bureau of Statistics- www.cbs.go.ke

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				Citizen's budget
		Main document	Budget summary*	Supporting Document 1	Additional Document 2	
A. Not produced, even for internal purposes						Yes
B. Produced for internal purposes, but not available to the public					Yes	
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>						
	Pre-budget	Executive's Budget				Citizen's budget
		Main document	Budget summary*	Supporting Document 1	Additional Document 2	
1. The release date is known at least one month in advance	No	No	No	No		
2. Advance notification of release is sent to users, media	No	No	No	No		
3. Released to public same day as official release to media	Yes	Yes	Yes	Yes		
4. Available on the Internet free of charge	Yes	No	Yes	Yes		
5. Free print copies available, limited distribution	Yes	No	No	No		
6. Free print copies available, mass distribution	No	No	No	No		
7. Readily available outside capital and/or big cities [†]	No	No	No	No		
8. Written in more than one language	No	No	No	No		
9. News conference is held to discuss release	Yes	No	No	No		

*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	Yes				Yes
D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)		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		Yes	Yes
2. Advance notification of release sent to users, media	No	Yes		Yes	Yes
3. Released to public same day as official release to media	Yes	Yes		Yes	Yes
4. Available on the Internet free of charge	No	Yes		Yes	No
5. Free print copies available, limited distribution	No	No		No	No
6. Free print copies available, mass distribution	No	No		No	No
7. Readily available outside capital/big cities ⁺	No	No		No	No
8. Written in more than one language	No	No		No	No
9. News conference is held to discuss release	Yes	Yes		Yes	Yes

⁺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> <p style="margin-left: 40px;">a. All expenditures are classified by administrative unit.</p> <p style="margin-left: 40px;">b. Expenditures are classified by administrative unit, but some small units are not shown separately.</p> <p style="margin-left: 40px;">c. Expenditures are classified by administrative unit, but a significant number of units are not shown separately.</p> <p style="margin-left: 40px;">d. No expenditures classified by administrative unit are presented.</p> <p style="margin-left: 40px;">e. Not applicable/other (please comment).</p> <p><u>Citation and/or comment:</u> The Executive Budget presents expenditures for the Budget year by administrative units but also shows expenditures on pensions, domestic interests, foreign interests, repayment of foreign debts and securitisation of bills. The administrative classification is by ministry showing both recurrent and development/capital expenditure. All central government operations are covered in the National Budget.</p> <p>The Printed Estimates contains proposed recurrent and development expenditure outlays and a detailed listing of external financing by source and mode of financing, In the 2005/06 executive budget, the minister of Finance chose to outline only the lump-sum allocations to the various ministries and government departments rather than provide the traditional line-item budgeting. Source: Printed Estimates 2005/06- Government Printer-Nairobi-Kenya.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u> There has been a switch to a new economic classification. Further information by budget head was provided to parliament after negotiation. And it provided to the item level, but not the sub-item level. I would still go with “b,” however, because it is correct: the current structure is very messy and more detailed in some institutions than other.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">b</div>

<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 and/or comment:</u></p> <p>The researcher marked the answer as “a.” Functional classification is used. The government uses the system of national accounts based on the 1993 <i>System of National Accounts</i> and public finance statistics consistent with Government Finance Statistics (GFS)/System of National Accounts. (Reference: Printed Estimates of the Government Budget-2005/06).</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “c.” The budget does not provide expenditures by functional classification: it is on the table for a further reform. It creates the impression, because the structure is messy and administrative units and functional classification, but a real functional level classification is not present.</p> <p>IBP Comment: IBP editors chose “c” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">c</div>
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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> <ol style="list-style-type: none"> All expenditures are classified by economic classification, and the categorization is compatible with international standards. All expenditures are classified by economic classification, but the categorization is not compatible with international standards. Some, but not all, expenditures are classified by economic classification. No expenditures classified by economic classification are presented. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> The Kenya government adopted the GFS classification in its 2005/06 financial year. Expenditures are classified by organizational and economic classification. Revenue, expenditure and financing are clearly distinguished in a way that is compatible with international standards, Different tables in the recurrent and development/capital estimates provide information within each of these categories.</p> <p>Reference: The 2005/06 Printed Estimates available at the Government Printer-Nairobi, Kenya.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">a</div>
<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 and/or comment:</u> Program-level classification is not adequately developed but some expenditure for individual programs is presented.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">c</div>

<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 and/or comment:</u> Multi-year estimates of aggregate expenditure are presented but they are not always accurate. A medium term expenditure framework approach to budgeting was adopted for the first time for the year 2000/2001 budget. The Printed Estimates of expenditure and the estimates of revenue normally have a three-year rolling plan. They have a time frame covering the previous financial year, the current financial year and two forward years. While treasury circulars controlling MTEF have legal standing, the MTEF does not form part of the legislation controlling budget management. The problem with future expenditure and revenue estimates is that they are never reliable. Multi-year estimates are also shown in the Medium Term Budget Strategy Paper- www.treasury.go.ke/keydocs.html-Chapter four-page 21-33.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u> A more appropriate comment would be: Multi-year estimates of aggregate expenditure are presented but they are not always accurate. A medium term expenditure framework approach to budgeting was adopted for the first time for the year 2000/2001 budget. The Printed Estimates of expenditure and the estimates of revenue normally have included estimates for two years beyond the budget year. Citation should stop here. The MTBSP is not part of budget documentation. It is published a few months before the budget is tabled, but also it precedes the detailed annual budget planning process, during which at the micro-fiscal level huge shifts happen. It is, together with the Budget Outlook Paper, a pre-budget statement.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>
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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)?
- 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).

Citation and/or comment: Multi-year estimates are presented for aggregate expenditure only in the Printed Estimates but more details are given in the Medium Term Budget Strategy Paper. The Executive Budget presents expenditures for the budget year by administrative units but also shows expenditures on pensions, domestic interests, foreign interests, repayment of foreign debts and securitisation of bills. The administrative classification is by ministry showing both recurrent and development/capital expenditure. All central government operations are covered in the National Budget. Program details for the year are presented in the Budget Strategy Paper.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: A more appropriate response to this question would be "b." The citation should not refer to the MTBSP: this is more of a pre-budget statement. The actual budget book now contains 2 year forward estimates.

b

<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 and/or comment:</u> The Finance Bill contains proposals on how the government intends to raise funds to finance the budget through tax laws, mainly the Income Tax Act, VAT Act and Custom and Excise Act. It identifies different sources of tax revenue. Parliamentary procedures require that taxation proposals be discussed in parliamentary departmental committee on Finance before they are debated in parliament. However, on the same day the Minister reads the budget speech, he publishes the provisional collection of taxes and duties order, which enables him to enforce collection of newly proposed revenue measures immediately even as parliament debates them. However, if parliament does not approve these measures in six months, they automatically lapse. Once approved a tax/duty remains in force until the Minister amends it. It doesn’t need to be renewed every year. The Finance Bill tabled and discussed in parliament culminates in the passing of Finance Act that identifies and amends various laws relating to various taxes and duties. It includes Custom and excise, V.A.T and amendment to VAT Act, Income tax and amendment to Income Tax Act and miscellaneous items, which covers amendments to other Acts, besides principal revenue laws. Finance Bill found at- http://www.treasury.go.ke/docs/Finance%20Bill%202005-2006-Final.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>
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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> <ol style="list-style-type: none"> All sources of non-tax revenue are identified individually. Sources of non-tax revenue amounting to at least two-thirds of, but not all, non-tax revenues are identified individually. Sources of non-tax revenues amounting to less than two-thirds of all non-tax revenue are identified individually. No sources of non-tax revenues are identified individually. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> Project grants, programs grants, project and program loans, privatization proceeds and other revenue which include sales of goods and services are individually identified in the Finance Bill that accompanies the Printed Estimates of the National Budget- http://www.treasury.go.ke/docs/Finance%20Bill%202005-2006-Final.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>
<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> <ol style="list-style-type: none"> Yes, multi-year estimates of aggregate revenue are presented. No, multi-year estimates of aggregate revenue are not presented. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> Yes, multi-year estimates of aggregate revenue are presented in the Executive Budget. This is found in the Finance Bill, but also in the Medium Term Budget Strategy Paper (MTBSP). The current MTBSP covers 2005/06-2007/08. The internal revenue information is generated by Kenya Revenue Authority (KRA) and other revenue collecting departments and regularly published. However, interested parties have no basis on which to assess its accuracy or lack of it. Little information is given on how these figures are arrived at by KRA. Budget Strategy Paper- http://www.treasury.go.ke/docs/Finance%20Bill%202005-2006-Final.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u> The citation should stop at the phrase, “This is found in the Finance Bill.” The MTBSP not part of budget documentation.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>

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)?

- 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).

Citation and/or comment: Yes, multi-year revenue estimates are presented for individual sources of revenue and by revenue classification in the executive budget but verifying its accuracy is difficult. This is found in the Estimates of Revenue released with the Budget-
<http://www.treasury.go.ke/docs/estimates%20of%20revenue%202005-2006.pdf>.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

a

<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> <ul style="list-style-type: none"> 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). b. Yes, the data reflect the outstanding debt at the end of the budget year. c. Yes, the data reflect the outstanding debt at the start of the budget year. d. No, data on the outstanding debt are not presented. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p>The researcher marked the answer as "a." Starting from the 2005/06 financial year, a number of key reforms in public expenditure management have been implemented. These include the use of GFS, adoption of a new budget preparation timetable and establishment of Debt Management Unit at the Ministry of Finance, which has improved the way debt is managed. The 2005/06 Budget thus presents data on the total government debt outstanding both at the start of the budget year and at the end of the budget year reflecting government's net borrowing requirement of the budget. The data is found in the Medium Term Budget Strategy Paper but also in the Financial Statement, which is released with the executive Budget.</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be "d." It is not in the Financial Statement, which works with flows only.</p> <p>IBP Comment: IBP editors chose "d" to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>
<p>12. Does the executive's budget or any supporting budget documentation present interest payments on the debt for the budget year?</p> <ul style="list-style-type: none"> a. Yes, interest payments on the debt are presented. b. No, interest payments on the debt are not presented. c. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: This is indeed provided in detail. In the Estimates of Expenditure.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>

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?

- a. Yes, extensive information related to the composition of government debt is presented.
- b. Yes, key additional information is presented, but some details are excluded.
- c. Yes, some additional information is presented, but it lacks important details.
- d. No, additional information related to the composition of government debt is not presented.
- e. Not applicable/other (please comment).

d

Citation and/or comment:

The researcher marked the answer as "a." Information on the level and composition of debt for the budget year is presented in the Executive Budget-in the *Medium Term Budget Strategy Paper-2005/06-2007/08*. Though there is reporting on the level and composition of debt and changes therein, legally this is only required at the end of the year. For this reason the projected debt can change substantially in the course of the financial year. With regard to external debt, the only effective transparency requirement is the ceiling fixed by parliament under the External Loans Act. But this too is more of a formality and the government can contract an external debt in excess of the ceiling so long as a parliamentary resolution allowing the increase is passed before the next reporting date. The roles and responsibilities around systematically planning for debt are not clear and gaps remain. The debt management unit handles only some aspects of external debt-record keeping and following up on issues that arise-while the external resources department of the Finance Ministry deals with other aspects and the accountant general department deals with accounting for and disbursing funds. Information sharing is often incomplete and the system does not guarantee perfect coverage. The management of domestic debt is not covered well either.

Peer Reviewer ONE Comment: A more appropriate response to this question would be "b" based on the comments above.

Peer Reviewer TWO Comment: The comment seems to be more about the quality of the data than the presence. Unless my understanding is incorrect, the debt management unit works with internal and external debt and has made a lot of progress in putting together a database. The correct answer should be "d," because the MTBSP is not part of the budget documentation.

IBP Comment: IBP editors chose "d" to maintain consistency of assumptions across countries.

<p>14. Does the executive’s budget or any supporting budget documentation present the macroeconomic forecast upon which the budget projections are based?</p> <ol style="list-style-type: none"> 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. Yes, the macroeconomic forecast is discussed and most of the key assumptions are stated explicitly, but some details are excluded. Yes, there is some discussion of the macroeconomic forecast (and/or the presentation of key assumptions), but it lacks important details. No, information related to the macroeconomic forecast is not presented. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p>The researcher marked this answer as “a.” The above information is presented in the <i>Medium Term Budget Strategy Paper-2005/06-2007/08</i>. Every financial year the government prepares a Fiscal Strategy Paper, giving the macro-economic targets that guide the budget preparation. It informs the preparation of the Budget Strategy Paper.</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “c.” The MTBSP not part of budget documentation – the only information is in the budget speech.</p> <p>IBP Comment: IBP editors chose “c” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">c</div>
<p>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)?</p> <ol style="list-style-type: none"> 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). <p><u>Citation and/or comment:</u> The impact of different macro-economic assumptions is briefly discussed in the Budget Speech and in the Finance Bill but it is not very exhaustively done. See http://www.treasury.go.ke/speeches/2005%20Budget%20speech.pdf</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment:</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">b</div>

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?

- a. Yes, extensive information on the impact of policy proposals on expenditures is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting the impact of key policy proposals on expenditures, 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 expenditures is not presented.
- e. Not applicable/other (please comment).

c

Citation and/or comment:

The researcher marked this answer as "b." During the presentation of the Budget, the Budget Speech/Summary attempts to show how policy proposals in the Budget affect expenditures. It is found at:

<http://www.treasury.go.ke/speeches/2005%20Budget%20speech.pdf>

Some details are left because the budget speech is just a summary of budget proposals. The Fiscal Strategy Paper (FSP) always precedes budget finalization and acts as the policy background of the Budget. It tries to link government policy objectives and the Budget. It explains how revenue, expenditure and financing proposals will help towards achieving policy goals as stipulated in government planning papers such as the Poverty Reduction Strategy Paper and the Economic Recovery Strategy for Wealth and Employment Creation. The FSP is not subjected to parliamentary scrutiny and therefore is not subjected to independent verification of accuracy. Its accuracy and usefulness has been in doubt. For example information on pending bills and extra-budgetary activities has not been fully disclosed to the public and where disclosed has been inconsistent.

Peer Reviewer ONE Comment: A more appropriate response to this question would be "c" based on the comments above.

Peer Reviewer TWO Comment: A more appropriate response to this question would be "c." The information is also in the Printed estimates, but at a very high level. It shows which sectors responsible for changes over previous year. Also some votes two narrative paragraphs up front explain drivers of change. In any case, the FSP (now the Budget Outlook Paper) is a poorer source. Better inter and intra-sector info in the MTBSP.

IBP Comment: IBP editors chose "c" to maintain consistency of assumptions across countries.

<p>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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation and/or comment:</u></p> <p>The researcher marked the answer as “a.” Budget Speech shows how policy proposals in the Budget affect expenditures found at http://www.treasury.go.ke/speeches/2005%20Budget%20speech.pdf. See also the Medium Term Budget Strategy Paper-www.treasury.go.ke/keydocs.html</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “c.” The MTBSP not part of budget documentation.</p> <p>IBP Comment: IBP editors chose “c” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">c</div>
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> <ul 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 and/or comment:</u> The Financial Statement provides expenditures for the past year and forecasts for coming year by administrative units but also shows expenditures on pensions, domestic interests, foreign interests, repayment of foreign debts and securitisation of bills. This statement is usually released with the Executive Budget. Printed Estimates of expenditure also shows the same information.</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment:</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>

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?

- 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).

Citation and/or comment:

The researcher marked the answer as "a." Functional Classification is used for the year preceding the budget year and the categorization is consistent with international standards. The government uses the system of national accounts based on the 1993 SNA and public finance statistics consistent with Government Finance Statistics (GFS)/System of National Accounts (1993 SNA).

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: A more appropriate response to this question would be "c." See related earlier question.

IBP Comment: IBP editors chose "c" to maintain consistency of assumptions across countries.

c

<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> <ol style="list-style-type: none"> All expenditures are classified by economic classification for BY-1, and the categorization is compatible with international standards. All expenditures are classified by economic classification for BY-1, but the categorization is not compatible with international standards. Some, but not all, expenditures are classified by economic classification for BY-1. No expenditures classified by economic classification are presented for BY-1. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> Given that Kenya adopted the GFS classification in its 2005/06 financial year expenditures for the year, preceding the budget year are classified by economic classification. This is also reflected in the Medium Term Budget Strategy Paper-which assists the government to achieve its key strategic objectives as set out in key policy documents. BSP also provides specific expenditure ceilings for line ministries and detailed guidelines aimed at restructuring the pattern of government expenditure toward the priority areas in social and economic sectors. The 2005/06-2007/8 targets a significant shift of resources toward health, education, agriculture, water and physical infrastructure sectors. It also identifies core poverty programs with their total expenditures for the budget year and two previous years.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">a</div>
<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 and/or comment:</u> Printed Estimates 2005/06 found at the Government Printer-Nairobi, Kenya. They are not available in the internet.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">c</div>

<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 and/or comment:</u></p> <p>The researcher marked this answer as "a." Printed Estimates of expenditure 2005/06-Government Printer-Nairobi-Kenya.</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be "d." BY-1 estimates are the enacted levels.</p> <p>IBP Comment: IBP editors chose "d" to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>
<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> <ol style="list-style-type: none"> Yes, such prior-year estimates of aggregate expenditure are presented. No, such prior-year estimates of aggregate expenditure are not presented. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p>The researcher marked this answer as "a." This is shown in the Printed Estimates of the Budget which contains aggregate level of expenditure for the budget year but also BY-1.</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be "b" The comment suggests a misinterpretation.</p> <p>IBP Comment: IBP editors chose "b" to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">b</div>

<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"> 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). 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. 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. No, such prior-year estimates are presented for aggregate expenditure only, or they are not presented at all. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> Such prior years are presented for aggregate expenditures only. See the Financial Statement- www.treasury.go.ke/docs/financstatementpart12005.pdf</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 note that the Financial Statement contains one year’s previously data only. The response “d” is correct, but the information is not presented at all.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">d</div>
<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> <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 expenditures are presented in the budget or supporting budget documentation. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p><u>The researcher marked the answer as “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 “d.” There are no actual outcomes in budget.</p> <p><u>IBP Comment:</u> IBP editors chose “d” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">d</div>

<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 and/or comment:</u> The Kenya government adopted the GFS classification in its 2005/06 financial year. National accounts estimates are based on the 1993 System of National Accounts and the first estimates for 2004 calendar year based on this system were released in May 2005. Revised series from 1996 to 2003 was also included making prior year data comparable to the budget year data.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>
<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 and/or comment:</u> All the tax revenues are always identified individually for BY-1. This is done every budget year by the government and is contained in the Finance Bill. http://www.treasury.go.ke/docs/Finance%20Bill%202005-2006-Final.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u> The Finance Bill contains proposals on how the government intends to raise monies to finance the budget, through tax laws. This part of comment is unclear.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>

<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> <ol style="list-style-type: none"> All non-tax revenues are identified individually for BY-1. Non-tax revenues amounting to at least two-thirds of, but not all, non-tax revenue for BY-1 are identified individually. Non-tax revenues amounting to less than two-thirds of all non-tax revenues for BY-1 are identified individually. No non-tax revenues are identified individually for BY-1. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> See the Estimates of Revenues for financial year 2005/06 at http://www.treasury.go.ke/docs/estimates%20of%20revenue%202005-2006.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">a</div>
<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 and/or comment:</u> The Estimates of Revenues only gives updated revised revenue estimates for the year prior to the budget year and does not reflect all the actual revenue. Its only BY-2 that reflects all actual data/actual receipts. Reference: Estimates of Revenue 2005/06 pp.4 at http://www.treasury.go.ke/docs/estimates%20of%20revenue%202005-2006.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u> The researcher is correct, revised estimates are presented for revenue, and one year of actual data.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">b</div>

<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> <p>a. Yes, such prior-year estimates of aggregate revenue are presented. b. No, such prior-year estimates of aggregate revenue are not presented. c. Not applicable/other (please comment).</p> <p><u>Citation and/or comment:</u> Reference: Estimates of Revenue found at: http://www.treasury.go.ke/docs/estimates%20of%20revenue%202005-2006.pdf page 4. The Executive Budget presents the last two prior years to the Budget year, that is BY-2.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">a</div>
<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> <p>a. Yes, such prior-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax). b. Yes, such prior-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue. c. Yes, such prior-year estimates are presented, but only for some individual sources of revenue. d. No, such prior-year estimates are presented for aggregate revenue only, or they are not presented at all. e. Not applicable/other (please comment).</p> <p><u>Citation and/or comment:</u> Estimates of Revenue 2005/06 Source: http://www.treasury.go.ke/docs/estimates%20of%20revenue%202005-2006.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">a</div>

<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 and/or comment:</u> Source: http://www.treasury.go.ke/docs/estimates%20of%20revenue%202005-2006.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">a</div>
<p>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?</p> <ol style="list-style-type: none"> Yes, extensive information is presented on the level and composition of government debt for the year preceding the budget year. Yes, information on the level of debt is presented, but some important details about the composition of the debt are excluded. Yes, but only information on the level of debt is presented. No, information related to the government debt for BY-1 is not presented. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p><u>The researcher marked this answer as “a.”</u> Information on the level and composition of debt for the year preceding the budget year is presented in the Budget Strategy Paper. Though there is reporting on the level and composition of debt and changes therein, legally this is only required at the end of the year. For this reason the projected debt can change substantially in the course of the financial year. With regard to external debt, the only effective transparency requirement is the ceiling fixed by parliament under the External Loans Act. But this too is more of a formality and the government can contract an external debt in excess of the ceiling so long as a parliamentary resolution allowing the increase is passed before the next reporting date. The roles and responsibilities around systematically planning for debt are not clear and gaps remain. The debt management unit handles only some aspects of external debt-record keeping and following up on issues that arise-while the external resources department of the Finance Ministry deals with other aspects and the accountant general department deals with accounting for and disbursing funds.</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.” There is no aggregate information</p> <p><u>IBP Comment:</u> IBP editors chose “d” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">d</div>

<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> <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 government debt are presented in the budget or supporting budget documentation. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p><u>The researcher marked this answer as “a.”</u> See the Budget Strategy Paper.</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.” BSP not part of budget documentation, nothing in budget documentation.</p> <p><u>IBP Comment:</u> IBP editors chose “d” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">d</div>
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> <ul 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 and/or comment:</u> The management of extra-budgetary funds is not clearly assigned. Once an extra-budgetary fund is established, it is not reviewed in the annual budget exercise, nor does it fall under annual parliamentary review in terms of its revenue or expenditures.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">d</div>

<p>36. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on intergovernmental transfers?</p> <ol style="list-style-type: none"> 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). <p><u>Citation and/or comment:</u> Local authorities receive money from the central government under the Local Authorities Transfer Fund Act (LATF). This supplements the financing of the services and facilities of local authorities. LATF is a block grant available to all the 175 local authorities given on a simple and objective formula basis. Note that local authorities under the Local Government Act are also allowed to collect levies from cess; licences e.t.c. There is complete disclosure of LATF amounts allocated to each local authority in the executive budget, with full details published in the daily press.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>
<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 and/or comment:</u></p> <p><u>The researcher marked this answer as “a.”</u> Budget Strategy Paper and Printed Estimates- Government Printer-Nairobi-Kenya.</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” There is not a narrative in the printed estimates. It is only in the MTBSP, which is not budget documentation.</p> <p><u>IBP Comment:</u> IBP editors chose “b” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">b</div>

<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 and/or comment:</u> No information on QFAs is presented.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">d</div>
<p>39. Does the executive's budget or any supporting budget documentation present information on financial assets held by the government?</p> <ul style="list-style-type: none"> a. 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. b. Yes, information is presented, highlighting key information, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on financial assets is not presented. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p><u>The researcher marked the answer as “a.”</u> Budget Strategy Paper 2005/06-2007/08 page 11.</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” The MTBSP cited is not part of budget documentation.</p> <p><u>IBP Comment:</u> IBP editors chose “d” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">d</div>

<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, a discussion of their purpose, 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 and/or comment:</u> There is a register for non-financial assets (land buildings e.t.c) held by the government but it is not presented with the executive Budget.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>
<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 and/or comment:</u></p> <p><u>The researcher marked the answer as "a."</u> As part of the Enhanced Action Plan for Financial Management (EAPFM), supported by the World Bank, the Kenyan government adopted the Commitment Control System (CCS) to prevent new expenditure arrears and started budgeting for expenditure arrears in 2004/05 Budget when about Kshs.2 billion was allocating for clearing pending bills. In its 2005/06 Budget, expenditure arrears information was presented though not very exhaustively as there has been a problem of how much pending bills really are and the plan is still undergoing implementation.</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." Information in the MTBSP not the budget documentation.</p> <p><u>IBP Comment:</u> IBP editors chose "d" to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>

<p>42. Does the executive’s budget or any supporting budget documentation present information on contingent liabilities (such as government loan guarantees)?</p> <ul style="list-style-type: none"> a. Yes, extensive information on contingent liabilities is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key contingent liabilities, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on contingent liabilities is not presented. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p>The researcher marked the answer as “c.” There is insufficient information available on nature and implications of contingent liabilities. Budget data on contingent liabilities, pending bills and extra-budgetary activities are insufficient. There are also inconsistencies on reported pending bills and this affects the level of public indebtedness and audit reports because if one is incorrect it will lead to misleading information. Information on pending bills is usually treated as a secret affair and only released in cases where professional bodies put a lot of pressure on the government.</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “d” Information treated in MTBSP, but not budget.</p> <p>IBP Comment: IBP editors chose “d” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>
<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 and/or comment:</u> There is detailed information on government future liabilities like pension obligations (i.e. the difference between accrued benefits and contributions made to date) but the Printed Estimates do not provide the overall picture of pension obligations rather they only capture pension obligations as they fall due.</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment:</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>

44. Does the executive's budget or any supporting budget documentation provide details on the sources of donor assistance, both financial and in-kind?

- 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).

c

Citation and/or comment:

The researcher marked the answer as “a.” Donor funds in the Budget are clearly earmarked and disclosed but actual disbursement of these funds remains low and often disruptive to the Budget. For example in February 2004 during the donor consultative meeting in Nairobi, donors had made pledges that had exceeded the Finance Minister wildest hopes but only a small part of the \$4.1 billion pledged was disbursed for the 2004/05 financial year. This happened despite the fact that about 60 percent of the development/capital budget was to be funded through external assistance. The Minister then had to rely on domestic borrowing. Source: Budget Speech-Page 27 and Budget Strategy Paper-table 6.

Peer Reviewer ONE Comment: A more appropriate response to this question would be “c.” because of the obvious disconnect between the government and donors reflected in above comments. In fact there is always a significant difference between the actual donor disbursement and the amounts budgeted but it became grossly apparent in 2004/5 when donor-gov't relations reached an all-time low.

Peer Reviewer TWO Comment: The researcher's comment refers to the accuracy or feasibility of the estimates, not to whether they are provided in detail. The budget documentation presents a detailed breakdown of the source of external finance – this is contained in the development budget, which the citation should refer to. The instance referred to is also the previous budget year. The MOF has since adopted a policy stance that specific grants are taken into account only if they are finally committed. Budget Support is not taken into account in the fiscal framework. Planning is done for two scenarios, and the one without the budget support is what Parliament approves. The researcher is referring to shortfalls on general pledges for that year. However, grants are also often disbursed slower, or discontinued for donor-driven reasons. But nonetheless, the budget documentation does identify individual sources of external assistance. [Budget Strategy Paper citation should not cited and the Development Estimate should be added.]

IBP Comment: IBP editors chose “c” to maintain consistency of assumptions across countries.

<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 and/or comment:</u></p> <p>The researcher marked the answer as “a.” Yes extensive information on tax expenditures is presented.</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “d” This is not in the budget – it is a source of great non-transparency in Kenya.</p> <p>IBP Comment: IBP editors chose “d” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>
<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 and/or comment:</u></p> <p>The researcher marked the answer as “a.” http://www.treasury.go.ke/docs/estimates%20of%20revenue%202005-2006.pdf</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: My inclination would be “d,” the sources of revenue that are earmarked are listed, e.g. social health contributions etc, grants from donors, but it does not say earmarked for spending in sector so and so. I would think that is what you are meaning by earmarking, so that the public can see it is outside of the common pool. You would only know that if you are a public finance expert.</p> <p>IBP Comment: IBP editors chose “d” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>

<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> <ul 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 and/or comment:</u></p> <p>The researcher marked the answer as “b.” 2005/06 Printed Estimates available at the government printer-Nairobi, Kenya.</p> <p>Peer Reviewer ONE Comment: A more appropriate response to this question would be “d” It is not clear how much of the budget is spent in secret but the financial scandals revealed in the preceding 3 years on secret security tenders suggest that it is high. Indeed there is no policy to keep such spending at any limits as suggested by the above or reporting of what actual % has been spent.</p> <p>Peer Reviewer TWO Comment: My feeling is that “d” would be the correct answer, because the information is not available.</p> <p>IBP Comment: IBP editors chose “d” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>
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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> <ol style="list-style-type: none"> 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. b. Yes, information is presented, highlighting the link between major policy goals and the budget, 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 is not presented. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p>The researcher marked the answer as “a.” This is done through the Medium Term Budget Strategy Paper, which for the first time was released together with the National Budget in the financial year 2005/06. It is found at www.treasury.go.ke/keydocs.html</p> <p>Peer Reviewer ONE Comment: A more appropriate response to this question would be “c.” The policies presented in budget papers do not link well with overall country policies. In the Economic Recovery Strategy paper for example the budget for agriculture was reduced significantly whereas the ERS suggested it would rise consistently. Further the agriculture ministry shortly thereafter released its own strategy paper – which conveyed a much higher need for resources and provided no budget. The disconnect between policy and practice became even more evident.</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “c” In budget speech. MTBPS not part of budget documentation. Link is not correct.</p> <p>IBP Comment: IBP editors chose “c” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">c</div>

<p>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)?</p> <ol style="list-style-type: none"> 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). <p><u>Citation and/or comment:</u></p> <p>The researcher marked the answer as “a.” Source: Medium Term Budget Strategy Paper at http:// www.treasury.go.ke/keydocs.html, Page 21-33.</p> <p>Peer Reviewer ONE Comment: A more appropriate response to this question would be “c.” Though a lot of information is indeed presented it is not linked consistently with prior stated policies. For example in 2005/6 the budget papers took the policy that individual ministries would provide for poverty reduction programs within their ministries; however this was inconsistent with the fact that the government had recently set up a Poverty Eradication Commission – which was instead given no development budget in 2005/6 – because the budget for this was now in the line ministries!</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “c,” see question above.</p> <p>IBP Comment: IBP editors chose “c” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">c</div>
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<p>50. Does the executive's budget or any supporting budget documentation present non-financial data, such as the number of beneficiaries, for expenditure programs?</p> <ol style="list-style-type: none"> 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). <p><u>Citation and/or comment:</u></p> <p>The researcher marked the answer as “b.” See chapter six of the Medium Term Budget Strategy Paper at www.treasury.go.ke/keydocs.html. In this chapter details of ministerial ceilings and priorities are presented with core indicators, sectoral achievements to date and targets of expenditure.</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “d,” see questions above.</p> <p>IBP Comment: IBP editors chose “d” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>
<p>51. Are the non-financial data presented useful for assessing how an expenditure program is performing?</p> <ol style="list-style-type: none"> The non-financial data are very useful for assessing program performance. The non-financial data are mostly useful for assessing program performance. The non-financial data are somewhat useful for assessing program performance. No non-financial data are provided or they are not useful for assessing program performance. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p>The researcher marked the answer as “c.” This has been very useful especially in the Ministry of Education where the government is implementing a free primary education program. Non-financial data has helped evaluate the program performance very well but not all programs have up-dated non-financial data.</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “d,” see questions above.</p> <p>IBP Comment: IBP editors chose “d” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>

<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 and/or comment:</u></p> <p>The researcher marked the answer as “b.” See Chapter 6 of the Medium Term Budget Strategy Paper at www.treasury.go.ke/keydocs.html.</p> <p>Peer Reviewer ONE Comment: A more appropriate response to this question would be “c.” The fact that only 4/16 benchmarks have been met means there is a real problem with performance management.</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “d,” see questions above.</p> <p>IBP Comment: IBP editors chose “d” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>
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53. Are the performance indicators sufficiently well designed, such that one can assess whether there has been progress toward meeting policy goals?

- 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).

d

Citation and/or comment:

The researcher marked the answer as “b.” An assessment of the PEM (Public Expenditure Management) system carried out in 2003 found that Kenya met 3 out of the 15 benchmarks for satisfactory performance. Following the assessment the government prepared an action plan for implementing the recommendations and action has been initiated in many areas, yet progress has been slow. In an update carried out in 2004, PEM systems were found to meet 4 out of the 16 benchmarks, which indicate that much more, concerted effort is needed to improve PEM in Kenya. There are two key indicators of weak PEM in Kenya: a big gap between the printed budget and the outturn, and a huge stock of expenditure arrears. (Public Expenditure Review 2004). See also the Budget Strategy Paper, Chapter 6 at www.treasury.go.ke/keydocs.html.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: A more appropriate response to this question would be “d,” see questions above.

IBP Comment: IBP editors chose “d” to maintain consistency of assumptions across countries.

<p>54. Are performance indicators used in conjunction with performance targets presented in the executive’s budget or any supporting budget documentation?</p> <ul style="list-style-type: none"> 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><u>Citation and/or comment:</u></p> <p>The researcher marked the answer as “b.” See chapter 6 of the Budget Strategy Paper, which has details of ministerial ceilings and priorities with core indicators, sectoral achievements to date and targets of expenditure for the 2005/06 financial year.</p> <p>Peer Reviewer ONE Comment: A more appropriate response to this question would be “d” In fact the performance targets and indicators are just for presentation purposes. For example the most publicly quoted target in 2002/3 of providing 500,000 jobs for the unemployed was not translated into detailed indicators and followed up in subsequent budgets until it was convincingly achieved. It is still unclear whether the target has been partially achieved or not at all.</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “d,” see questions above.</p> <p>IBP Comment: IBP editors chose “d” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>
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<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> <ul style="list-style-type: none"> 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><u>Citation and/or comment:</u></p> <p>The researcher marked the answer as “a.” In Kenya, poverty focus of spending has largely been measured in terms of direct spending on programs seen as more pro-poor. Since 2000/01, the government has identified a list of budget items as core poverty programs with a view to channel more resources to them and protects them from budget cuts during the year. In 2003/04, about Kshs.45.9 billion were allocated to these programs according to Public Expenditure Review of 2004. In 2005/06, a list of core poverty programs and their estimated costs are appended to the Budget Strategy Paper for ease of reference at www.treasury.go.ke/keydocs.html- See Table 10 and Table 10b.</p> <p>Peer Reviewer ONE Comment: A more appropriate response to this question would be “c.” See comments in question 49.</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “b or c.” The budget itself does not provide a separate view on poverty reducing spending, but the budget speech does refer to it.</p> <p>IBP Comment: IBP editors chose “b” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">b</div>
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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?</p> <ul style="list-style-type: none"> a. Yes, extensive information on tax rates and fee schedules is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting the rates and fees for major revenue sources, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information is not presented. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> The executive's budget describes the tax rates for all revenue sources but the use of tax expenditures and appropriations in aid (user fees by government departments like fees for issuing birth certificates, title deeds e.t.c) creates access to resources outside the normal prioritization process, severely limiting the comprehensiveness of the prioritization exercise. See the Finance Bill 2005/06.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>
<p>57. Does the executive make available to the public an analysis of the distribution of the tax burden?</p> <ul style="list-style-type: none"> a. Yes, a detailed analysis of the distribution of the tax burden is presented, including both a narrative discussion and quantitative estimates. b. Yes, an analysis is presented; highlighting key aspects of the distribution, but some details are excluded. c. Yes, some analysis is presented, but it lacks important details. d. No analysis on the distribution of the tax burden is presented. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> No analysis of the distribution of the tax burden is availed to the public.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>

<p>58. Does the executive make available to the public an explanation of the conditions associated with assistance from international financial institutions (IFI)?</p> <ol style="list-style-type: none"> Yes, extensive information on conditions associated with IFI assistance is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on conditions associated with IFI assistance is not presented. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> The government rarely publishes donor conditionalities, though some of the donor advice and conditionalities are published in the Budget Strategy Paper. As a rule the government generally does not disclose conditionalities especially when they touch on sensitive issues like corruption and bad governance, or if they are politically unwelcome like civil service retrenchment and privatization. Budget Strategy Paper-page 31.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">c</div>
<p>59. Does the executive make available to the public an explanation of the conditions associated with assistance from donor countries?</p> <ol style="list-style-type: none"> Yes, extensive information on conditions associated with donor country assistance is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on conditions associated with donor country assistance is not presented. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> The government does give out some information but it lacks important details. Conditions attached to external loans are sometime published and posted in the websites of lending agencies. Donor advice and conditionalities are sometime also published but there is a lot that doesn't get into the public domain especially if it touches on sensitive issues. Not all-relevant information is shared with the public. Sensitive conditionalities, such as corruption, bad governance, civil service retrenchment and water privatization, are often left out and treated as secrets by the government.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">c</div>

<p>60. Does the executive make available to the public a summary that describes the budget and its proposals?</p> <ol style="list-style-type: none"> Yes, it provides a summary that is very informative. Yes, it provides a summary that is somewhat informative. Yes, but the summary is not very informative. No, it does not provide a summary. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> Yes this is provided in the form of the Budget Speech. The Budget Speech contains an overview of the economic and broad policy framework intended for the next financial year. These proposals form the basis for the fiscal proposals. The Budget speech can be accessed free of charge from the website of the Ministry of Finance within a few days of tabling the budget in parliament. Budget Speech: http://www.treasury.go.ke/speeches/2005%20Budget%20speech.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">a</div>
<p>61. Does the executive publish a “citizen’s budget” or some non-technical presentation intended for a wide audience that describes the budget and its proposals?</p> <ol style="list-style-type: none"> Yes, it publishes a citizen’s budget that is very informative. Yes, it publishes a citizen’s budget that is somewhat informative. Yes, but the citizen’s budget is not very informative. No, it does not publish a citizen’s budget. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> The executive does not publish a citizen’s budget. The budget has remained a technical document and the government does nothing to make it simple for the public to understand; even parliamentarians do not fully understand the budget. The civil society organizations in Kenya that deal with budget work have urged the government to present non-technical explanations of the budget for the use of both parliamentarians and ordinary citizens, but this has not happened so far. Civil society organizations are therefore plying the role of simplifying, demystifying, analyzing and distributing budget documents to the public, but still more needs to be done. The budget documents should be summarized into easily readable formats that show expenditures by functional, organizational and economic classifications.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">d</div>

<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> <ol style="list-style-type: none"> Yes, thorough definitions of budget terms are provided. Yes, definitions are provided, but some details are excluded. Yes, some definitions are provided, but it lacks important details. No, definitions are not provided. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> No non-technical definitions are made available to the public.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>
<p>63. Does the executive make available to the public a summary of the budget process?</p> <ol style="list-style-type: none"> Yes, it includes a summary of the budget process that is very informative. Yes, it includes a summary of the budget process that is somewhat informative. Yes, but the summary of the budget process is not very informative. No, it does not include a summary of the budget process. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> A summary of the Budget process is published in the Budget Strategy Paper-www.treasury.go.ke/keydocs.html Annex 1 page 59 for the 2005/06 Budget and its very informative having deadlines, activities and who is responsible for each stage. The new budget timetable was revised in 2005 following a review of the MTEF process in early 2004. This was done to provide a more rational and inclusive process for the elaboration of the Budget.</p> <p><u>Peer Reviewer ONE Comment:</u> However the difference between practice and the written process is significant. In the 2005/6 budget hearings (held for the first time in over a decade) several government departments were present. This was surprising since they should have already been involved in discussing their budget areas and would ideally have found no need to attend public hearings at all. Further they asked questions about the process and some even stated that they could not make the connection between what they had submitted to the treasury and what was presented to them back during the hearing.</p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>

64. 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).

d

Citation and/or comment: Currently, the Kenyan constitution and existing laws do not expressly provide for any right to access information. 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 (whether the communication be to the public generally or to any person or class of persons)." However, the Official Secrets Act currently in force criminalizes disclosure of information by public officials, and so runs counter to any guarantee of the right to information. The Official Secrets Act establishes the general presumption that any official public information is secret unless a government agency has specific authorization to release it, and imposes severe criminal penalties for government officials who violate this provision. Public officials are also unable to differentiate what is confidential and what is not and therefore to be on the safe side of the law, they categorize almost all information as confidential. In addition civil service regulations prohibit officials from speaking to the press but the greater part of the public budget deals with service delivery, salaries and public debt all of which concern the public and warrant no secrecy. The Ministry of Information recently announced its completion of a draft Freedom of Information Act but it hasn't gone through the legislative process.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

65. 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.
- a. In practice, no highly disaggregated expenditure information is available.
- b. Not applicable/other (please comment).

Citation and/or comment: Budget information available for public use is highly aggregated. This mystification and aggregation is a source of power for authorities and also a means of exclusion of citizen's oversight role over public officials. This means that citizens cannot scrutinize and make political-economic sense of the rationale behind budgetary allocations. A study by Institute of Economic Affairs in 2003 revealed high percentages for poor accessibility of budget information among academics and researchers, the media, audit firms, civil society and the corporate sector standing at 67, 70, 50, 100 and 92 percent respectively.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

d

<p>66. 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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation and/or comment:</u> A study by Institute of Economic Affairs in 2003 revealed that overall assessment of the timeliness and accessibility of budget information was generally difficult. There is lack of accessibility of budget information and again most information available is highly aggregated though one can find some disaggregated non-financial information on expenditures. See also the Budget documents at www.treasury.go.ke</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>
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Section Three: The Budget Process

The Budget Process	
Executive's Formulation of the Budget	
<p>67. 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 and/or comment:</u></p> <p>The researcher marked the answer as “a.” The Budget Speech date is set in permanent law and is always in July of every year. Section 100 of the Constitution (Revised 1998) 1992 requires the Minister of Finance to prepare estimates of revenues and expenditure and lay them before parliament for approval before the financial year starts and this is usually July. The day has also been adopted by the three East African countries, in the spirit of East Africa Community budgets are read on the same day. (<i>Refer to the Constitution of the republic of Kenya Section 100</i>)</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “c” The actual day on which the budget will be released is rather fluid – it can be postponed on account of last minute work still ongoing, or a key question that had not been resolved. The Constitution just requires that it is before July.</p> <p>IBP Comment: IBP editors chose “c” to maintain consistency of assumptions across countries.</p>	c

<p>68. Does the executive release to the public its timetable for its budget preparation process?</p> <ol style="list-style-type: none"> Yes, a detailed timetable is released to the public. Yes, a timetable is released, but some details are excluded. Yes, a timetable is released, but it lacks important details. No, a timetable is not issued to the public. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> The Budget process timetable is published in the Medium Term Budget Strategy Paper released with the National Budget. MTBSP Annex I page 59 at www.treasury.go.ke/keydocs.html. Again since 2003, with the revival of the Public Expenditure Review, information about the revised budget process (Time table) is published in the Public Expenditure Review, which is distributed to all ministries but can also be purchased from the government printer and downloaded from the Ministry of Planning website. Despite this, budget process knowledge is still lacking, as many people are not aware of this document. The budget process is viewed by the public as a technocratic process and clouded in executive secrecy. It takes place within a politically opaque aura of self-interested obscurantism. The guidelines and timetable are easily provided to ministries and government departments. Interested civil society organizations, individuals and the private sector organizations have to buy these timetables from the government printer. The public only knows about the Budget Day speech from the Finance Minister and are far less aware of the process of budgeting.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>
<p>69. Does the executive adhere to its timetable for the preparation and release of the budget?</p> <ol style="list-style-type: none"> The executive adheres to the dates in its timetable. The executive adheres to most of the key dates in its timetable. The executive has difficulty adhering to most of the dates in its timetable. The executive does not adhere to the dates in its timetable, or it does not release to the public its timetable. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p><u>The researcher marked the answer as “a.”</u> The executive always adheres to the dates in its timetable.</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” The timetable does not stipulate exact dates, but there is often quite some slippage, with the process running weeks behind at points.</p> <p><u>IBP Comment:</u> IBP editors chose “b” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">b</div>

70. Does the executive hold consultations with members of the legislature as part of its process of determining budget priorities?

- a. Yes, the executive holds extensive consultations with a wide range of legislators.
- b. Yes, the executive holds consultations with a range of legislators, but some key members are excluded.
- c. Yes, the executive holds very limited consultations, involving only a few members of the legislature.
- d. No, the executive does not typically consult with members of the legislature as part of the budget preparation process.
- e. Not applicable/other (please comment).

a

Citation and/or comment: There is a formal pre-budget debate in the legislature prior to the introduction of the executive budget. There is a report presented by the executive ahead of the budget that forms the basis of the debate in the legislature prior to the introduction of the budget. A motion has just been passed in parliament (4th of November 2005) seeking to introduce a Bill for the establishment of an office to strengthen the role of parliament in the budgetary process (Parliamentary Budget Office).

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

71. Does the executive hold consultations with the public as part of its process of determining budget priorities?

- a. Yes, the executive holds extensive consultations with a wide range of constituencies.
- b. Yes, the executive holds consultations with a range of constituencies, but some key constituencies are excluded.
- c. Yes, the executive holds very limited consultations, involving only a few constituencies.
- d. No, the executive does not typically consult with the public as part of the budget preparation process.
- e. Not applicable/other (please comment).

b

Citation and/or comment:

The researcher marked the answer as “c.” There is no legal basis for the participation of civil society in the budget process. It thus rests on the goodwill of the government. Similarly, there is no legal provision for the government to accept civil society’s contribution to the process. There is no inclusive mechanism for participation in the budget process. Executive consultation of the public is very limited and the participation would be categorized as poor. Civil society participation is by invitation. The participants are not legally entitled to be consulted and the process operates on the basis of patronage. Lack of awareness of budget meeting also contributes to lack of participation.

Peer Reviewer ONE Comment: In 2005/6 year the government had public hearings on the budget outlook and medium term strategy papers for the first time in memory. The hearings were advertised only a few days before being held and hence were poorly attended. The hearings however brought out issues between government departments and the treasury as well as highlighted that the budget process was not as transparent as apparent on paper. But there has been no follow up of these issues.

Peer Reviewer TWO Comment: A more appropriate response to this question would be “b” There is a formal space for consultation that is open to any stakeholder, but of which the MOF makes sure most prominent stakeholders are made aware of. This happens after the BOPA and the sector working groups process, but before the MTBSP. It is a bit hurried and rushed, but is taken seriously.

IBP Comment: IBP editors chose “b” to maintain consistency of assumptions across countries.

72. 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 and/or comment:

The researcher marked the answer as “c.” There is no legal requirement to release a pre-budget statement to the public. The executive, though, releases the pre-budget statement. Note that there is also no requirement by law to make public any budget assumptions before tabling of the Finance Bill, Printed Estimates and Appropriation Bills in parliament.

Peer Reviewer ONE Comment: In 2005/6 only the budget outlook paper and medium term strategy paper and related ministry information was released as described in the comments in Q 71 above.

Peer Reviewer TWO Comment: A more appropriate response to this question would be “a” The BOPA, which contains classical PBS information, is released six months before the budget is tabled.

IBP Comment: IBP editors chose “a” to maintain consistency of assumptions across countries.

a

<p>73. Does the pre-budget statement describe the government’s macroeconomic and fiscal framework?</p> <ol style="list-style-type: none"> Yes, an extensive explanation of the government’s fiscal and macroeconomic policy is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented; highlighting key aspects of the fiscal and macroeconomic framework, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p>The researcher marked the answer as “b.” Given that it is not in law that the government releases this statement, it is not detailed as would be expected and is released to the media some weeks before the Budget Speech. It is not as detailed as the macro-economic framework found in the Budget Strategy Paper-Chapter four and chapter five.</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “a.” The BOPA and the MTBSP are pre-budget statements, with the latter being more detailed at the micro-fiscal level.</p> <p>IBP Comment: IBP editors chose “a” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">a</div>
<p>74. 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> <ol style="list-style-type: none"> Yes, an extensive explanation of the government’s budget policies and priorities is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key aspects of the government’s budget policies and priorities, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p>The researcher marked the answer as “b.” Less detailed than the Government policies and priorities as outlined in the Medium Term Budget Strategy Paper, which can be seen at www.treasury.go.ke/keydocs.html.</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “a” That is precisely the function of the MTBSP</p> <p>IBP Comment: IBP editors chose “a” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">a</div>

Legislative Approval of the Budget

75. How far in advance of the start of the budget year does the legislature receive the budget?

- 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).

c

Citation and/or comment: Parliamentarians always see the budget proposals for the first time two or three days before the Minister of Finance presents it for debate in parliament on the Budget day. This means that Parliamentarians have inadequate time to go through the budget proposals for informed debate and discussion. The voluminous and complex budget documents are presented to them less than a week before budget day giving them very little time to go through it and have an informed debate on the budget. The period allowed for debate is also too short and the budget language too technical that make it difficult for parliamentarians to have a meaningful debate and interpret its implications, let alone ordinary citizens.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

76. 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?

- a. 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.
- b. Yes, hearings are held in which testimony is heard from the executive branch and some constituencies.
- c. Yes, hearings are held in which testimony from the executive branch is heard, but no testimony from the public is heard.
- d. No, public hearings are not held on the macroeconomic and fiscal framework in which testimony from the executive branch and the public is heard.
- e. Not applicable/other (please comment).

b

Citation and/or comment: There are hearings before and after the Budget Speech presentation. After the budget speech, parliamentary hearings open the process for interested parties to send written submissions. At this stage, the focus is on seeking adjustments to and considerations of the Minister's proposals. The submissions and reactions come from the press, individuals, institutions, companies, academic institutions and other interested parties including civil society. However, the process is largely ineffective due to lack of co-ordination and organizational capacity together with legal incapacity, thus both the private sector and civil society have limited influence on budget proposals. There are also public hearings at other lower levels of governance. The District Development Plans, the PRSP and the Economic Recovery Strategy for Wealth and Employment Creation have opened more channels for citizens' participation during the preparation and planning phases. Designated officials at the district level and heads of departments prepare the estimates for their respective districts with inputs derived from district development committees, the private sector and civil society organizations. Indeed, this phase provides an opportunity to citizens to participate in budget making process. However, their participation is limited by lack of skills, lack of information and short notice of such hearings.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

<p>77. 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 and/or comment:</u> The guidelines for budget planning and preparation in the form of Acts of parliament and government procedures concentrate powers of budget making in the executive and the unit of budgeting is wholly confined in the ministry and the public is not taken on board in the ministry's budget process at all. The meetings where the Ministers and Permanent secretaries/heads of departments defend their budgets are not public.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">d</div>
<p>78. 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> <ol style="list-style-type: none"> Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the public is heard. Yes, hearings are held, covering key administrative units, in which testimony from the public is heard. Yes, a limited number of hearings are held in which testimony from the public is heard. No, public hearings are not held on the budgets of administrative units in which testimony from the public is heard. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> No, this is usually not done for administrative units.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">d</div>

79. Do the legislative committees that hold public hearings release reports to the public on these hearings?

- 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).

Citation and/or comment: The committees do not release reports to the public.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

d

80. Does the executive present more details or provide a better explanation of any budget proposal, if members of the legislature (including from minority parties) request such information?

- a. The executive responds to such legislative requests, and it generally provides an appropriate and timely response.
- b. The executive responds to such legislative requests, but its responses are sometimes not appropriate or timely.
- c. The executive responds to such legislative requests, but its responses are typically not appropriate or timely.
- d. The executive responds selectively or ignores such legislative requests.
- e. Not applicable/other (please comment).

a

Citation and/or comment:

The researcher marked the answer as “a.” Yes the executive always does this whenever members of the legislature request it from them. In 2005/06 Budget the government adopted a budget format, which only outlined the lump-sum allocations to the various ministries and government departments rather than provide the traditional line-item budgeting. Members of parliament protested and argued that this would lead to abuse of allocations by the ministries. The Finance Minister explained to the legislature that the government had adopted the GFS classification in its 2005/06 financial year in order to compare with other countries internationally and as part of the ongoing Public Financial Management reforms. Expenditures are classified by organizational and economic classification. Revenue, expenditure and financing are clearly distinguished in a way that is compatible with international standards. Different tables in the recurrent and development/capital estimates provide information within each of these categories.

Peer Reviewer ONE Comment: A more appropriate response to this question would be “c” based on the above comments which were widely covered by the media. In fact the response did not satisfy many legislators – and the format was not changed.

Peer Reviewer TWO Comment: I would still take “a.” The MOF is quite vigilant about responding to Parliament, particularly in the current climate. What happened in the instance described here is that when the budget was tabled originally, it was at an aggregate level because the step over to the new GFS system was still incomplete. Parliament requested the sub-item level (it was provided up to item level), and then received it by vote.

IBP Comment: IBP editors chose “a” to maintain consistency of assumptions across countries.

<p>81. Is the legislature (or the appropriate legislative committee) given information for the budget year on the spending of secret items relating to, for instance, national security and military intelligence?</p> <ol style="list-style-type: none"> Yes, the legislature is provided extensive information on all spending on secret items. Yes, the legislature is provided information on spending on secret items, but some details are excluded. Yes, the legislature is provided some information on spending on secret items, but it lacks important details. No, the legislature is provided no information on secret items. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> The legislature is not given information on spending of secret items relating to national security. This is one weakness of parliamentary scrutiny of the budget. Budgets for government departments that provide security services such as Department of Defense and the National Security Intelligence Services are not subjected to parliamentary scrutiny thus exposing those expenditure votes to corruption.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>
<p>82. Does the legislature have authority to amend the budget presented by the executive?</p> <ol style="list-style-type: none"> Yes, the legislature has unlimited authority to amend the budget. Yes, the legislature has authority to amend the budget, with some limitations. Yes, the legislature has authority to amend the budget, but its authority is very limited. No, the legislature does not have any authority to amend the budget. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> Section 48 of the Constitution does not allow the House to impose or alter taxation measures except for instances where such amendments will only result in reduction and that the president through the Minister for Finance has to sanction such alterations. Parliament rarely does this. Parliament is in a weak position in that although it is the only institution empowered to levy taxes and authorize expenditure of public money, its powers are restricted by the constitution. It cannot introduce new expenditure or tax measures; neither can it increase those already approved. In addition, due to cash budget management during execution, the use of the adjustment budget as ex-post approval for expenditures and practice of running up huge stocks of unpaid bills, parliamentary approval is close to meaningless as a measure to determine what money will be spent and on what it will be spent.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">c</div>

<p>83. What is the most detail provided in the appropriation (expenditure budget) approved by the legislature?</p> <ol style="list-style-type: none"> The approved budget includes program-level detail. The approved budget includes departmental totals and some additional details (for instance, sub-department totals or major programs). The approved budget includes only departmental totals. The approved budget includes less information than departmental totals. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> The Appropriation Bill covers the total estimates of Ministries plus the money already withdrawn under Vote on Account (50% of expenditure to spend up to December 31 pending approval of appropriations during the Committee of Supply). The Bill has also a schedule that describes for both recurrent and development expenditure the vote number, a paragraph describing the service or purpose, the supply amount and the appropriation- in-aid (funds raised by ministries by providing services such as user fees, licenses, payments for land title deeds, birth certificates e.t.c). Printed Estimates, which may be in two volumes or more contain proposed recurrent and development/capital expenditure outlays and a detailed listing of external donor funding. These are normally consolidated in the Appropriation Bill for enactment by the legislature.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">b</div>
Executive's Implementation of the Budget	
<p>84. 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 and/or comment:</u> From 1990, the government started to publish a Quarterly Budget Review in an attempt to promote accountability and transparency. It reports among other issues actual expenditure for the quarter period under review but this publication has limited circulation to the public. It is also posted on the website of the Ministry of Finance at: http://www.treasury.go.ke/docs/qbr062005.pdf. The Central Bank of Kenya also publishes a Monthly Economic Review on behalf of the government.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">b</div>

<p>85. 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 and/or comment:</u> It covers all expenditure and they are organized by economic and administrative classification. <i>Quarterly Budget Review-Fourth Quarter 2004/05 September 2005 Edition at http://www.treasury.go.ke/docs/qbr062005.pdf</i></p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto;">a</div>
<p>86. 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> <ol style="list-style-type: none"> Yes, comparisons are made for all expenditures. Yes, comparisons are made for at least two-thirds, but not all, of expenditures. Yes, but comparisons are made for less than two-thirds of expenditures. No, comparisons are not made, or no in-year reports are released to the public. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> For example the Quarterly Budget Review for the Third Quarter 2004/2005 had a number of highlights, which used comparisons with the estimates. The Executive expenditure and net lending for the period ending 31st March 2005 was Kshs.209, 526 million against a target of Kshs.237, 837 million. The shortfall was attributed to lower than expected payments of pensions and domestic interests and lower foreign financed capital expenditures owing to the lower pace of donor disbursement. It also reported that cumulative overall fiscal balance, on a commitment basis and excluding grants, registered a deficit of Kshs.761 million, (equivalent to 0.06 percent of the GDP) which was higher than a targeted deficit of Kshs.41.4 billion (equivalent to 3.20 percent of the GDP) in the 2004/5 fiscal year. <i>Quarterly Budget Review, Third Quarter 2004/05, June 2005 Edition at www.treasury.go.ke/docs/qbrmar2005%20fin.pdf</i></p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto;">a</div>

<p>87. How often does the executive release to the public in-year reports on actual revenue collections by source of revenue?</p> <ol style="list-style-type: none"> In-year reports on actual revenue collections by source of revenue are released at least every month. In-year reports on actual revenue collections are released at least every quarter. In-year reports on actual revenue collections are released at least semi-annually. In-year reports on actual revenue collections by source of revenue are not released. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> The Quarterly Budget Reviews (www.treasury.go.ke) are released every four months by the Executive (Ministry of Finance). The review covers the overall fiscal balance, total revenue collection, government expenditure and net lending, stock of pending bills and even guaranteed loans. There is also the Monthly Economic Review published by the Central Bank of Kenya. In accordance with the Government Financial Regulations and Procedures, the government publishes appropriation accounts that detail the receipt and spending of public funds by ministries from exchequer.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">b</div>
<p>88. What share of revenue is covered by the in-year reports on actual revenue collections?</p> <ol style="list-style-type: none"> In-year reports cover the actual revenue collections of all sources of revenue. In-year reports cover the actual revenue collections of at least two-thirds of, but not all, sources of revenue. In-year reports cover actual revenue collections of less than two-thirds of revenue sources. In-year reports on actual revenue collections are not released to the public. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> For example, in the third quarter of 2004/05 financial year, the Quarterly Budget Review reported that the total government revenue collection was above the target by Kshs.12, 350 million, mainly due to improved revenue collection measures. Ordinary revenue collection amounted to Kshs.192, 432 million against a target of Kshs.179, 961 million resulting in an over collection of Kshs.12, 471 million. It reported on all government taxes including appropriation-in-aid (monies from ministries for government services like payment for birth certificates e.t.c) and external grants. <i>Quarterly Budget Review, Third Quarter 2004/05, June 2005 Edition</i> at www.treasury.go.ke/docs/qbrmar2005%20fin.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">a</div>

<p>89. 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 and/or comment:</u> Yes, the in-year reports compare actual year-to-date revenue collection with the budget targets or the original estimates for that period and even the same period in previous years. <i>Quarterly Budget Review, Third Quarter 2004/05, June 2005 Edition</i> at www.treasury.go.ke/docs/qbrmar2005%20fin.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">a</div>
<p>90. 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 and/or comment:</u> The Quarterly Budget Review Report on actual borrowing every quarter of the year. See the Quarterly Budget Review of June 2005 at www.treasury.go.ke/docs/qbrmar2005%20fin.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">b</div>

<p>91. 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 and/or comment:</u> The Quarterly Budget Review report on Public Debt in terms of overall debt position of the government as at the time of the quarterly report, publicly guaranteed debt, external and domestic debt, domestic debt by instruments like treasury bills, floating and fixed bonds, external debt service by category (bi-lateral and multi-lateral) principal and interest and even private debt from commercial banks. See the document at www.treasury.go.ke/docs/qbrmar2005%20fin.pdf.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">a</div>
<p>92. 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 and/or comment:</u> The reports are released 2 months or less, usually three to five weeks after the end of the period.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">b</div>

<p>93. 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> <ol 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 and/or comment:</u> In Kenya, the executive does not produce a mid-year report that is a comprehensive update on the implementation of the budget including an updated forecast of the budget outcome for the current fiscal year and at least the following two fiscal years. The economic assumptions in Kenya are only revised annually by the executive.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">d</div>
<p>94. 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> <ol 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 and/or comment:</u> The only systematic information available to the public during the spending year is the Quarterly Budget Review. 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>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">d</div>

<p>95. 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 and/or comment:</u> The executive does not release a mid-year review/report. Only Quarterly Budget Reviews are produced.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>
<p>96. 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 and/or comment:</u> The executive does not release a mid-year review.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>

97. Does the executive seek input from the legislature when the executive shifts funds between administrative units (except when the amounts are below a certain level, as specified in law or regulation)?

- a. Yes, the executive seeks approval from the legislature before shifting funds between administrative units.
- b. Yes, the executive advises 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.
- e. Not applicable/other (please comment).

Citation and/or comment:

The researcher marked the answer as “a.” Yes the executive has to seek approval from parliament/legislature before shifting funds between administrative units.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: A more appropriate response to this question would be “c.”

IBP Comment: IBP editors chose “c” to maintain consistency of assumptions across countries.

c

98. 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?

- 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).

Citation and/or comment: Despite elaborate provisions requiring transparent and competitive bidding, cases of single-sourcing, overstated contracts, substandard work and fixing of tenders are still rampant, often resulting in huge losses. There have been huge scandals on the procurement of security goods in the past year too. First is the Anglo-Leasing and Finance scandal, which involved about Kshs.7 billion of public money, which was meant to build a forensic laboratory and the Passport procurement scandal, which was to make new generation passports for Kenyans. Both procurements involved high-ranking government officials. They were nipped in the bud and halted, but huge sums of money still lost. Anglo-Leasing has been shown by investigators to be fictitious company, which doesn't even exist. Irregular tender awards have also been rampant in the past year. With the passing of a new Public Procurement and Disposal Bill in 2005, which has created an independent procurement body, it is hoped that things will change and the procurement procedures will be streamlined.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

c

99. When does the legislature typically approve supplemental budgets?

- a. Supplemental budgets are approved before the funds are expended, or the executive rarely proposes a supplemental budget (please specify).
- b. Supplemental budgets are approved after the funds are expended, or the executive implements supplemental budgets without ever receiving approval from the legislature (please specify).
- c. Not applicable/other (please comment).

b

Citation and/or comment: Supplemental budgets are approved after the funds are expended but before the end of the financial year. Section 100(3) of the Constitution empowers the Minister for Finance to spend public money and seek parliamentary approval later. This section when combined with section 2 of the Exchequer and Audit Act, which empowers the Minister for Finance to suspend any budget item without reference to parliament, undermines the authority of parliament. With regard to the release of funds, even though this can only be done within the approved allocations, it is not predictable or transparent. There are generally no clear rules for deviation from the approved estimates such as percentage allowed for virements. There are therefore no monitorial benchmarks, flexibility or sufficient controls. In practice significant changes can be made in actual use of resources, which are subsequently incorporated or regularized in the supplementary estimates. The rules governing emergency expenditure are also not clear. As a result, budget adjustments are ex-post and not limited to unforeseeable and unavoidable expenditures but more often than not accommodate new expenditures.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

100. In most years, how large are supplemental budget requests relative to the size of the original budget?

- a. Supplemental budgets are generally equal to 2 percent or less of the original budget.
- b. Supplemental budgets are generally equal to more than 2 percent, but less than 5 percent, of the original budget.
- c. Supplemental budget are generally equal to more than 5 percent, but less than 10 percent, of the original budget.
- d. 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.
- e. Not applicable/other (please comment).

d

Citation and/or comment: There are generally no clear rules for deviation from the approved estimates such as percentage allowed for virements. There are therefore no monitorial benchmarks, flexibility or sufficient controls. In practice significant changes can be made in actual use of resources, which are subsequently incorporated or regularized in the supplementary estimates. The rules governing emergency expenditure are also not clear. As a result, budget adjustments are ex-post and not limited to unforeseeable and unavoidable expenditures but more often than not accommodate new expenditures. Deviations between budget out-turn and the approved budget are large and need to be reduced sharply. In 2004/05 FY Supplementary Estimates reflected an increase of Kshs.6 billion in recurrent expenditure and a gross reduction of Kshs.14.8 billion in development expenditure. The Minister argued that the recurrent expenditure increased mainly because of drought related expenses and wage adjustments for civil service. Development expenditure was scaled down to reflect trends in donor disbursements and progress in project implementation. Source: Budget Speech 2005/06-page 25 at <http://www.treasury.go.ke/speeches/2005%20Budget%20speech.pdf>; Budget Strategy Paper 2005/06 at www.treasury.go.ke/keydocs.html

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

101. 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).

b

Citation and/or comment: The funds are approved after the funds have been used but before the end of the financial year. Section 102 of the *Constitution of Kenya* establishes the Civil Contingencies Fund (CCF) the purpose of which is to finance unexpected and unforeseen emergencies. However in some cases, accounting officers consider CCF as a reserve fund to be used to meet expenditures, which cannot be accommodated in the Printed Estimates due to tight ministerial ceilings. The tendency is to leave out some of the essential expenditures with the hope that they can be financed from the CCF. The funds are approved after they have been used.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

Executive's Year End Report and the Supreme Audit Institution	
<p>102. How long after the end of the budget year does the executive release to the public a year-end report or another document that discusses the budget's actual outcome for the year?</p> <ol style="list-style-type: none"> a. Reports are released six months or less after the end of the fiscal year. b. Reports are released 12 months or less (but more than six months) after the end of the fiscal year. c. Reports are 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 and/or comment:</u></p> <p>The researcher marked the answer as "b." Section 18(1) of the Exchequer and Audit Act requires that within a period of four months or longer as may be deemed necessary by the National Assembly, annual accounts will be prepared and transmitted to the C&AG. Section 19 requires that the reports on accounts will be examined and audited by C&AG within a period of seven months and be submitted to the Minister then in charge of finance.</p> <p>The lack of an integrated financial management information system and the manual basis of much of the accounting system has hampered comprehensive and timely financial reporting both internally and externally. But there is a move towards implementing an integrated system and for the first time the C&AG will be reporting the 2003/4 financial year in September 2005 and his report will include recent financial scandals like the Kshs.7 billion Anglo-Leasing and Finance scandal. This is a great improvement from the past practice of presenting audited accounts that are 3 or 4 years old. (Press Briefing by Finance Minister on 26th July 2005 to update the media on Public Finance Management and Transparency).</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: The 4th quarter report provides a discussion of outturn, narrative and financial tables (extensive). If this can be counted as a year-end report, the answer should be "a," because it is released within 6 months.</p> <p>IBP Comment: IBP editors chose "a" to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>

<p>103. In the year-end report, or another document released to the public by the executive (please specify below), have the data on the actual outcomes been audited?</p> <ul style="list-style-type: none"> a. Yes, all data on actual outcomes have been audited. b. At least two-thirds, but not all, of the data on actual outcomes have been audited. c. Less than two-thirds of the data on actual outcomes have been audited. d. None of the data on actual outcomes has been audited, or a year-end report is not released. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>
<p>104. Does the year-end report, or another document released to the public by the executive (please specify below), explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?</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 and/or comment:</u></p> <p><u>The researcher marked the answer as “b.”</u> The end year report does explain the differences between enacted levels and actual outcome for expenditures. However the executive does not provide adequate explanations for the variances between actual and budget figures.</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.”</p> <p><u>IBP Comment:</u> IBP editors chose “a” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>

<p>105. 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, or another document released to the public by the executive (please specify below)?</p> <ol 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 and/or comment:</u></p> <p><u>The researcher marked the answer as “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 “a.”</p> <p><u>IBP Comment:</u> IBP editors chose “a” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>
<p>106. Does the year-end report, or another document released to the public by the executive (please specify below), explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?</p> <ol 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 and/or comment:</u></p> <p><u>The researcher marked this answer “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.” The discussion is extensive, but does exclude some details.</p> <p><u>IBP Comment:</u> IBP editors chose “b” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">b</div>

<p>107. Does the year-end report, or another document released to the public by the executive (please specify below), 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 and/or comment:</u></p> <p><u>The researcher marked this answer as “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 “d” The 4th quarter report does only fiscal outturns, not macro-economic.</p> <p><u>IBP Comment:</u> IBP editors chose “d” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>
<p>108. Does the year-end report, or another document released to the public by the executive (please specify below), 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 and/or comment:</u></p> <p><u>The researcher marked this answer as “b.”</u> It is not as detailed as one would expect.</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.” The 4th quarter report discusses achievements, but at a very high level.</p> <p><u>IBP Comment:</u> IBP editors chose “c” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">c</div>

<p>109. Does the year-end report, or another document released to the public by the executive (please specify below), 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 and/or comment:</u> It does not explain the difference between original performance indicators and the actual outcome.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>
<p>110. Does the year-end report, or another document released to the public by the executive (please specify below), 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 and/or comment:</u></p> <p><u>The researcher marked the answer as “d.”</u> An explanation is not presented in the document.</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.” The 4th quarter report does include a paragraph on core poverty programme outturns.</p> <p><u>IBP Comment:</u> IBP editors chose “c” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">c</div>

<p>111. Does the year-end report, or another document released to the public by the executive (please specify below), 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 and/or comment:</u></p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>
<p>112. How long after the end of the fiscal year are the final 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 and/or comment:</u></p> <p><u>The researcher marked this answer as “b.”</u> Final audited accounts are released 12 months or less but more than six months after the end of the fiscal year. This has only happened once last year. For a long time it would even take two years before release of audited accounts. The Public Audit Act (2003) requires the CAG to submit to the Minister of Finance audited report of Public accounts not later than six months on the lapse of the financial year but in practice this has never happened.</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.” From June 31 2004 to Sept 2005 is more than 12 months.</p> <p><u>IBP Comment:</u> IBP editors chose “c” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">c</div>

<p>113. Two years after the completion of a fiscal year, what percentage of expenditure has been audited and (except for secret programs) the reports released to the public?</p> <ol style="list-style-type: none"> All expenditures have been audited and the reports released to the public. Expenditures representing at least two-thirds of, but not all, expenditure have been audited. Expenditure representing less than two-thirds of expenditure have been audited. No expenditures have been audited, or the reports have not been released to the public. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p>The researcher marked this answer as “a.” This has only happened once last year (2005) and we hope that the C&AG will continue to do his best to work within the legal requirement for submitting audited reports.</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “b.” Extra-budgetary funds are not audited.</p> <p>IBP Comment: IBP editors chose “b” to maintain consistency of assumptions across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">b</div>
<p>114. Do year-end audit reports of departmental expenditure that are released to the public include an executive summary?</p> <ol style="list-style-type: none"> All of these audit reports include an executive summary. Most of these reports include an executive summary. Some of these reports include an executive summary. None of these audit reports include an executive summary, or such reports are not released to the public. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> The audit reports have executive summaries. Audit reports are available at the Government Printer-Nairobi, Kenya on request. They are not posted on the internet.</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment:</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>

<p>115. 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> <p>a. 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.</p> <p>b. No, the executive may remove the head of the SAI without the final consent of the judiciary or legislature.</p> <p>c. Not applicable/other (please comment).</p> <p><u>Citation and/or comment:</u> The C&AG has security of tenure of office and cannot be removed without parliamentary approval. This ensures that he does his work without interferences from any quarters including politicians. The Exchequer and Audit Act (Cap.412) establishes the office of the Controller and Auditor General(C&AG) as the Auditor of the National Assembly/Parliament. The CAG has tenure of office. Section 105 of the Constitution clearly stipulates the role of the Controller and Auditor-General in overseeing public finance. In particular, the C &AG is supposed to ensure that any withdrawals from the consolidated fund is in line with the provisions of the constitution and/or existing acts of parliament.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">a</div>
<p>116. Does the Supreme Audit Institution release to the public audits of extra-budgetary funds?</p> <p>a. Yes, the SAI releases to the public audits of all extra-budgetary funds.</p> <p>b. Yes, the SAI releases audits representing at least two-thirds of, but not all, extra-budgetary funds.</p> <p>c. Yes, the SAI releases audits representing less than two-thirds of all extra-budgetary funds.</p> <p>d. No, the SAI does not release to the public audits of extra-budgetary funds, or it does not audit such funds.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation and/or comment:</u></p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">d</div>

<p>117. Beyond the established year-end attestation audits, does the Supreme Audit Institution (SAI) have discretion in law 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 and/or comment:</u> Section 105(2) of the Constitution clearly stipulates the duties of the C&AG (Controller and Auditor General), which requires that on behalf of the National Assembly/Parliament, the C&AG shall examine, inquire into and audit the accounts of all accounting officers dealing with public moneys. In particular, section 11(2) requires that the C&AG ensure that all reasonable precautions have been taken to safeguard collection of all revenue and all moneys appropriated by parliament have been disbursed for appropriated purposes.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">d</div>
<p>118. 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 and/or comment:</u> To ensure independence of the National Audit Office, the Public Audit Act (2003) establishes the National Audit Commission with powers to determine the budget for the office, remuneration and other terms of appointment of staff. For along time the before the establishment of the Commission, the C&AG work had been handicapped by the scarcity of human and financial resources, which had made it difficult for effective oversight process. It lacked support staff to carry out research to inform his decisions. The current government is looking into this situation and some improvements have been recorded in terms of improving the human resource capacity and timely audit reports. National Audit Office now has 190 officers trained up to CPAIII (Certified Public Accountant) level and has implemented a computer assisted audit program.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">c</div>

119. Does a committee of the legislature view and scrutinize the audit reports?

- 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).

a

Citation and/or comment:

The researcher marked the answer as “a.” The Kenya National Assembly Standing Orders (1998) No.147 (1) and 148(1) establishes parliamentary watchdog committees; The Parliamentary Accounts Committee (PAC) and the Parliamentary Investment Committee (PIC) respectively to enhance the effectiveness of the scrutiny of the C&AG report (collection and issuance of payment of public moneys). The committees are mandated with the task of examining the government expenditure and investment to ensure that the budgeted expenditures are utilized according to parliamentary approval and authority.

The committees restrict their audit to legal requirements and not whether the monies were used for the intended purposes. They never consider issues of best value for money. They don't scrutinize quality and results but concentrate on process and legal requirements. The non-statutory scrutiny is even more selective. Standing Order No.5 151(4) (a) establishes departmental committees and empowers them to investigate, inquire into and report on all matters relating to the mandate of the assigned ministries and departments, including estimates appropriated by parliament for the purposes of the same ministries and departments.

Peer Reviewer ONE Comment: A more appropriate response to this question would be “c” This is reinforced by the lack of questions or commentary about the audit reports from PAC or PIC.

Peer Reviewer TWO Comment: What the researcher is referring to is that parliament does not ask questions about the link between policy and usage of funds. However, as far as I am aware parliament is still quite Westminster traditional and does scrutinize all reports, for compliance, like all traditional audits.

IBP Comment: IBP editors chose “a” to maintain consistency of assumptions across countries.

120. 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?

- 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).

c

Citation and/or comment: The executive report steps on some audit findings. Following the tabling of the Public Accounts Committee and Public Investment Committee reports and recommendations in parliament, they are debated, adopted and their recommendations are forwarded to the Treasury for implementation. Upon receiving the reports, the treasury prepares a memorandum on the implementation status of the recommendations. There has been continuous Treasury Memoranda on PAC and PIC reports. Though the treasury memorandum gives a brief outline of the PAC/PIC recommendations and implementation status, parliament does not have an oversight committee to follow up on how effective the implementation has been. Both the C&AG and the two parliamentary watchdogs — the Parliamentary Accounts Committee and the Parliamentary Investment Committee—do not have enforcement authority. They can only recommend to the executive but have no way of enforcing these measures. The Standing Order No.151 (5) empowers the C&AG to scrutinize the government of Kenya accounts and report through the Minister for Finance to the relevant parliamentary committees which are PAC and PIC for further action but section 20 of the Act does not specify what happens if the Minister fails to act on irregularities in expenditure. Section 21(1) of the Act actually allows the Minister for Finance to dispense with audit if he deems fit. This section states inter-alia that ‘it shall be lawful for the treasury from time to time, if they see it fit to do so, to dispense with the transmission to the C&AG’ of some accounts or funds. This opens room for abuse. The Treasury can easily invoke this provision to shield itself from scrutiny.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

121. 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?

- 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).

b

Citation and/or comment: There is some follow up on actions taken by the executive on audit reports. The C&AG tables his report and gives recommendations. The enforcement is totally left to the executive, which publishes a Memorandum on the Implementation Status of PAC and PIC Reports but this memorandum does not include all the follow-up for all the recommendations. The C&AG work ends at recommendation level. He cannot prosecute and all prosecutions are only allowed by approval of the Attorney General who is part of the executive. It makes little sense for the C&AG to be given whistle-blowing powers without supporting provisions to stop irregularities and misdemeanors. Section 20 of the Exchequer and Audit Act only empowers the C&AG to notify the Minister of Finance of any irregularities in expenditure at any time but fails to grant him the power to stop or punish offenders.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

122. Are audit reports related to national security and other secret programs provided to the legislature (or relevant committee)?

- a. Yes, legislators are provided with detailed audit reports related to national security 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).

d

Citation and/or comment: Security and military funds are not subject to scrutiny by the Public Accounts Committee (the parliamentary watchdog). Security procurement has been shrouded in secrecy and sometimes even professional procurement officers are left out in the process and it is done through well-connected politicians. They are also done through single-sourcing mechanism and there is no transparency in the process. Procurement Regulations 3 (1) says that procurement regulations shall apply to all public procurement by public entities and (2) “These regulations shall not apply where the Finance Minister shall in consultation with the head of procurement entity decide that it is in the interest of National security or National defense to use a different procedure, in which case the Finance Minister shall define the method of procurement to be followed in order to secure the interest of the economy and efficiency” Nowhere in these regulations are there clarifications as to what constitute National security or defense interest and this is the weakness of this regulation. The signing of the Public Procurement and Disposal Act by the President last month will open up the military to outside investigation. It is expected that secrecy that has previously characterized tendering and procurement in one of the most strategic departments of government will be a thing of the past.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: