



# ARE COUNTIES MAKING BUDGET FORMULATION DOCUMENTS AVAILABLE TO THE PUBLIC? A REVIEW OF COUNTY WEBSITES

June 2015

## INTRODUCTION

This analysis builds on our previous assessment of county budget transparency released in February 2015.<sup>1</sup> That analysis looked at websites maintained by county governments to assess the availability of seven key county documents that should have been made available to the public in the course of developing the 2014/15 budget.

Going forward, we will assess the availability of budget documents needed to inform budget formulation at one point during the year, and we will then look at documents needed to engage with budget implementation at another point during the year.

Counties were meant to table their 2015/16 Budget Estimates in their respective assemblies by April 30. The Public Finance Management (PFM) Act says that these should be made available to the public as soon as practicable after tabling. While there is no firm deadline for this, the spirit of the PFM Act is that citizens should be able to review these estimates and provide their views to the budget committee in the county assemblies. The Act also requires the assemblies to hold public hearings before tabling any amendments to the budget. Given that assemblies must hold these hearings prior to approving the budget by June 30, they have traditionally been held in May. Even if these hearings are held in June, however, it would seem that any county that did not make budget estimates available to the public within a month of the tabling (by end of May) is not meeting the spirit of the PFM Act and is failing to give citizens enough time to review these documents and provide their views.

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<sup>1</sup> See <http://internationalbudget.org/wp-content/uploads/Review-of-Kenya-County-Budget-Information-January-2015.pdf>

With this in mind, we assessed the online availability of budget documents necessary for formulation of the 2015/16 budget during the first week of June 2015. We searched for four documents: the Annual Development Plan 2015/16 (released by the end of September 2014), the County Fiscal Strategy Paper 2015/16 (released by the end of March 2015), the Quarterly Budget Implementation Report for the third quarter (released by the end of April 2015), and the Budget Estimates themselves.

## PURPOSE OF THE FOUR KEY BUDGET FORMULATION DOCUMENTS

### ANNUAL DEVELOPMENT PLANS

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

### COUNTY FISCAL STRATEGY PAPERS

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

### QUARTERLY IMPLEMENTATION REPORTS (THIRD QUARTER)

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

### BUDGET ESTIMATES (PROPOSED BUDGETS)

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The budget proposal from the county executive is the culmination of all the other documents and is the place where programme and item level decisions are taken that must be reviewed by the public and assembly before approval. It should be published as soon as practicable after tabling.

## WHAT DID WE FIND?

Our assessment shows that few counties are consistently making these documents available to the public through their websites. We found that no county has made all four documents available online. Even counties that have done fairly well in making information available online, such as Baringo and Bomet, have only published three of the four documents. This is largely due to counties failing to publish their Quarterly Implementation Reports.

One note about our findings: any document available on an official county website hosted by either the executive or assembly was counted in our findings. However, in several cases these documents could only be found through a search engine and the link on the county website was hidden. While we counted these documents this time, in future we will only count documents if they can be reached through clicking on a reasonable place on the website, such as the “Downloads” or “Resources” section of the site.

## 2015/16 ANNUAL DEVELOPMENT PLANS

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As of mid-June, just four counties had published their 2015/16 Annual Development Plans online: Baringo, Bomet, Meru and Nakuru counties.

## 2015/16 COUNTY FISCAL STRATEGY PAPERS

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As of mid-June, 19 counties had published their 2015/16 County Fiscal Strategy Papers online.

## 2014/15 QUARTERLY IMPLEMENTATION REPORTS

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As of mid-June, only Muranga county had published its Budget Implementation Report for the third quarter of 2014/15. Muranga's report only provides a breakdown of expenditure without showing it against budget, which severely limits the report's usefulness. We were not able to find any earlier budget implementation reports in any county from either the first or second quarter. This suggests that the problem was not due to counties being delayed with their third quarter report, rather that they have not released such reports in general.

## 2015/16 BUDGET ESTIMATES (PROPOSED BUDGETS)

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As of mid-June, only 14 counties had made their Budget Estimates available online. Of these, three counties (Kilifi, Meru, and Taita Taveta) had published only line-item budgets, though counties are now required by law to produce program-based budgets.

## CONCLUSION

As we complete the third year of county budget preparation, it is clear that counties are still not making key documents available to the public online in a timely fashion. It is a legal requirement that all of these documents be made available and there are clear deadlines for publishing each of them, with the exception of the Budget Estimates. However, pending PFM regulations may require all budget documents, including Budget Estimates, to be published within a week of them being tabled in county assemblies. Even when counties release information, they are frequently not meeting these deadlines. Unless this changes, citizens will not be able to participate effectively in the budget process as they are intended to do under the constitution and the PFM Act.