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Economic Affairs

Handbook on County Planning, County Budgeting and Social Accountability



Handbook on County Planning, County Budgeting and Social Accountability

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Foreword

Kenya's chosen model of devolution presents citizens with increased opportunities to participate in governance processes at the county level. The provisions of the Constitution of Kenya 2010 define sources of revenue for both the national and county levels of government while schedule four of the same constitution highlights the functions of both levels of government. Service delivery in key sectors such as health, water and agriculture has been handed to county governments. This situation creates the imperative for proper management of financial resources, implying that improved delivery of public services under devolved governance can be enhanced through increased citizen engagement with these devolved units.

This handbook aims to provide an easy read to citizens as well as leaders on public finance under Kenya's devolved governance, planning and budgeting at the county level and highlights some social accountability tools and mechanisms. The book has been developed in recognition of growing appreciation among governments, the donor community and civil society that local communities have a significant role to play with regard to enhancing accountability of public officials in the management of public funds, reducing corruption and leakage of funds and improving public service delivery.

The handbook also introduces the citizen to structures and processes established by the constitution to enable their participation in governance. Some of these processes include participatory planning, participatory budgeting and monitoring executive implementation of development projects and programmes. These are important means through which citizens and Civil Society Organizations (CSOs) operating at the county level can hold leaders accountable in the management of public resources thereby contributing to improvements in public service delivery at the county level.

The IEA-Kenya hopes that this handbook becomes a valuable resource for individuals and institutions intent on ensuring accountability in county governance. Information in the handbook is also relevant to elected, nominated and appointed leaders who have the obligation, as provided by law of ensuring that the interested citizen has an opportunity to participate in governance processes.

A handwritten signature in black ink, appearing to read 'Kwame Owino', written in a cursive style.

Kwame Owino
Chief Executive Officer IEA



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Acronyms and Abbreviations

BPS	Budget Policy Statement
BROP	Budget Review and Outlook Paper
CBEF	County Budget and Economic Forum
CBO	Community Based Organization
CEC	County Executive Committee
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
COB	Controller of Budget
COK	Constitution of Kenya
CRA	Commission on Revenue Allocation
CSO	Civil Society Organization
DRB	Division of Revenue Bill
DWG	Departmental Working Group
GIS	Geographic Information Systems
IBA	Independent Budget Analysis
IBP	International Budget Partnerships
MCA	Member of County Assembly
MTEF	Medium Term Expenditure Framework
PETS	Public Expenditure Tracking Survey
PFM	Public Finance Management
SWG	Sector Working Group



1.0 Introducing Devolution

Devolution is one form of decentralization. Decentralization is defined as the process of dispersing power from the centre to lower levels of government. The other forms of decentralization include de-concentration, delegation and privatization. De-concentration transfers implementation powers to lower regions or sub- national units that implement decisions made at the centre. The responsibility for service delivery and decision making under delegation is passed to semi-independent territorial or sub-national units. Devolution has been described as the highest form of decentralization as it involves the distribution of administrative, political and financial powers from the centre to lower levels of governance also referred to as sub- national units. This includes the powers to generate and spend revenue. Devolved units also have the power to make public policy decisions.

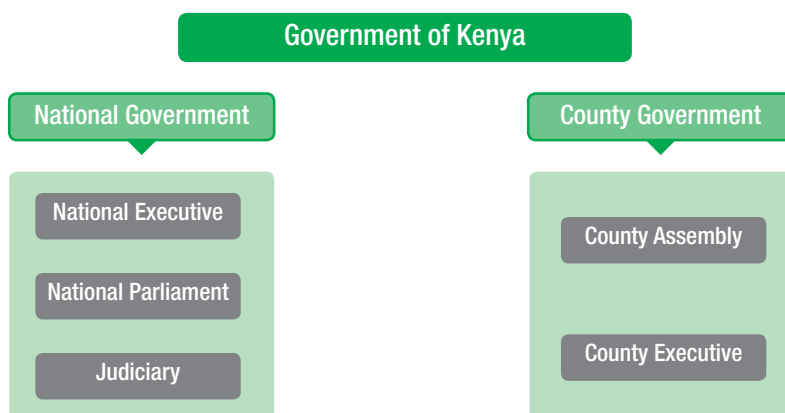
Devolution enables decision making on governance to be done at the local level by those affected most by such decisions. It enables the citizen to govern themselves by multiplying opportunities for citizens to participate in governance processes such as planning for development, budgeting for the implementation of development projects and programmes, and policy making. This in the case of Kenya is to be enhanced through various structures and further levels of decentralization at the county level as established in the constitution of Kenya 2010 and legislation anchoring devolution.

One assumption under devolved governance is that local leaders at the county level: including the County Executive: comprising of the Governor and the County Executive Committee (CEC) members, and the County Assembly members in the case of Kenya better understand the challenges facing their communities or constituents and can therefore, working together with the citizens come up with the best policies, programmes and development projects that will address local challenges and needs.

1.1 Kenya's Devolved Governance Structure

Kenya's devolved system of governance establishes two levels of government: the national government and forty seven county governments. The national government is made up of the Executive, Parliament including the National Assembly and the Senate, and the Judiciary. County governments are made up of the County Executive and the County Assembly. According to Article 6 (2) of the constitution, the two levels of government are distinct and interdependence. They are interdependent as policies formulated by one level of government affects the other level. They are also interdependent as both levels of government serve the same clients.

Figure 1: National and County Government structure



The constitution vests all sovereign power to the people of Kenya (Article 1). Citizens can exercise this power by directly participating in governance or indirectly through elected representatives. Among the values and principles of governance as highlighted in the constitution is: sharing and devolution of power, the rule of law, democracy and participation of the people. The constitution requires Parliament to facilitate public participation and involvement in the legislative and other business of Parliament and its committees (Article 118 (b)). County assemblies should therefore equally provide citizens in the counties with opportunities to participate in governance processes.

Among the objects of devolution highlighted in Article 174 of the Constitution are: to give powers of self-governance to the people and enhance the participation of the people in the exercise of the powers of the state and in making decisions affecting them; to recognize the right of communities to manage their own affairs and to further their development; and to promote social and economic development and the provision of proximate, easily accessible services throughout Kenya.

Public participation in governance processes at both levels of government: national and county is mandatory and emphasized by the constitution and the subsequent laws on devolution. Article 10 (2) (a) of the constitution states that “participation of the people” is one of the values and principles of governance in Kenya. Article 232 (1) (d) highlights one of the values and principles of public service as “involvement of the people in the process of policy making”.

1.2 County Government Structure

1.2.1 County Executive

County governments consist of the county executive and the county assembly. The county executive is made up of the Governor, the Deputy Governor and members who are appointed by the governor and approved by the county assembly. The governor is the leader of the county executive committee.

Functions of the County Executive Committee

- implement county legislation;
- implement, within the county, national legislation to the extent that the legislation so requires;
- manage and coordinate the functions of the county administration and its departments;
- supervise the administration and delivery of public services to citizens;
- conceptualization and implementation of policies and county legislation; and
- prepare proposed legislation for consideration by the county assembly.

1.2.2 County Assembly

The county assembly is a law making organ that plays an oversight role on all county public establishments. The county assembly is made up of: members elected by the registered voters of the wards; special seat members; number of members of marginalized groups, including persons with disabilities and the youth; and the speaker who is an ex-officio member.

Functions of the county assembly

- representation of the people;
- Make laws that are necessary for the effective performance of the functions and exercise of the powers of the county government;
- approve the County Integrated Development Plan;
- approve county budget and expenditure;
- oversight over the implementation of development projects and programmes by the county executive; and
- approve plans and policies for the management and exploitation of county resources.



2.0 Functions of National and County Governments

Schedule four of the constitution provides for functions of the national government and those of the county government. Public service delivery in key sectors including agriculture, health and water have been transferred to county governments. County governments are required to plan and budget for the delivery of goods and services under their mandate. They are also required to ensure and coordinate the participation of communities in governance at the local level.

Table 1: Some key County and National functions as outlined in the fourth schedule of the CoK 2010

National Responsibilities	County Responsibilities
Education a) Education policy, standards, curricula, examinations and granting of University charters b) Universities, tertiary educational institutions, and other institutions of research and higher learning and primary schools, special education, secondary schools and special education institutions.	Education a) Pre-primary education, village polytechnics, home craft centres and childcare facilities.
Health a) National referral health facilities b) Health Policy	Health County health services , including, in particular— (a) county health facilities and pharmacies; (b) ambulance services; (c) promotion of primary health care; (d) licensing and control of undertakings that sell food to the public; (e) veterinary services (excluding regulation of the profession); (f) cemeteries, funeral parlours and crematoria;
Water	Water (a) refuse removal, refuse dumps and solid waste disposal; and (b) water and sanitation services

National Responsibilities	County Responsibilities
<p>Agriculture</p> <ul style="list-style-type: none"> a) Agricultural policy b) Land planning c) Protection of the environment and natural resources d) Veterinary policy 	<p>Agriculture</p> <ul style="list-style-type: none"> a) Agriculture, including— b) Crop and animal husbandry; c) Livestock sale yards; d) County abattoirs; e) Plant and animal disease control; and f) Fisheries. g) Counties are also responsible for implementing National government policies on natural resources and environmental conservation.

See annex for detailed functions



3.0 Public Finance under Devolved Governance

Public finance is critical to relations between the governed (also referred to as right holders) and those in leadership (also referred to as duty bearers) because without resources, nothing gets done.

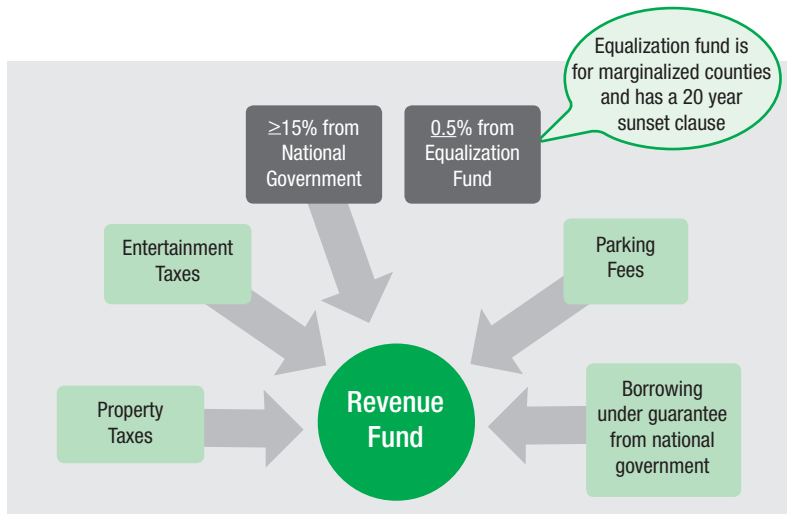
The principles that guide public finance as highlighted in Article 201 of the constitution include:

- openness and accountability, including public participation in financial matters;
- promotion of an equitable society. This is to be attained through: fair sharing of the burden of taxation; equitable sharing of revenue raised nationally among national and county governments; expenditure that promotes equitable development of the country, including by making special provision for marginalised groups and areas;
- equitable sharing between present and future generations of the burdens and benefits of the use of resources and public borrowing;
- prudent and responsible use of public money; and
- responsible financial management and clear fiscal reporting.

3.1 Sources of Revenue for County Governments

The constitution in chapter 12 on Public Finance provides that county governments will receive at least fifteen percent of the most recently audited accounts approved by parliament to enable them deliver on their mandates. Marginalized counties will receive additional equalization funds comprising of one half percent (0.5%) of all the revenue collected by national government calculated from the most recently audited accounts approved by the national assembly. The equalization fund provided for under article 204 of the Constitution of Kenya 2010 seeks to address inequalities that may exist between counties and within marginalised areas. The fund will be directed towards basic services including water, roads health services and electricity. County governments may also obtain revenue from rates charged on property, entertainment tax and charges imposed on the delivery of services. They may also receive grants or financial transfers from the national government. Counties may also borrow loans from private lenders though this has to be guaranteed by the national government.

Diagram 1: Sources of revenue for county governments



Principles guiding management of public finances

- County recurrent expenditure shall not exceed the county government total revenue
- At least thirty percent of a county budget should go towards development expenditure
- Borrowing should be used to finance development expenditure
- County treasury should ensure that the expenditure on wages and benefits to public officers shall not exceed a percentage of the total county revenue as set by the CEC finance with approval of county assembly.



4.0 Laws guiding county planning and budgeting

4.1 County Government Act

Parliament has, besides the Constitution of Kenya 2010 passed a number of laws that guide county planning and budgeting. The County Government Act, 2012 provides that county governments will be required to develop plans including: Five year County Integrated Development Plan (CIDP), ten year programme based county sectoral plan as component parts of the CIDP, county spatial plans and cities and urban areas plans (*These are discussed in more detail in subsequent chapters*). These plans shall be the basis for all budgeting and spending in the county. No public funds shall be appropriated without a planning framework developed by the county executive committee and approved by the county assembly. A county planning unit shall be responsible for coordinated integrated development planning in a county. The Act provides that county planning shall facilitate the development of a well-balanced system of settlements and ensure productive use of scarce land, water and other resources for economic, social, ecological and other functions (Section 103 (b)). Section 105 (d) of the Act requires the county planning unit to ensure meaningful engagement of citizens in the planning process. The Act provides that public participation in the county planning process shall be mandatory (Section 115).

4.2 Public Finance Management Act

The Public Finance Management Act, 2012 makes it a requirement that the budget process of county governments in any financial year to consist of integrated development planning which include long-term and medium-term planning as well as financial and economic priorities for the county over the medium-term. Section 126 of the Act makes it a requirement that county governments prepare an integrated development plan that includes strategic priorities for the medium-term, that reflect the county government's priorities and plans, a description of how the county government is responding to changes in the financial and economic environment; and programmes to be delivered. Each county government is to prepare a development plan, and budgets are to be based on projects and other expenditure contained in the plan.

4.3 Urban Areas and Cities Act

The Urban Areas and Cities Act, 2012 emphasizes the need for five year integrated development planning by county governments and the need to align county annual budgeting to the plan. Section 36 (2) of the Act states that “an integrated urban or city development plan shall bind,

guide, and inform all planning for development and decision-making and ensure comprehensive inclusion of functions.” One of the conditions for an area to qualify as a city, municipality or town is that it must have institutionalized active participation of its residents in the management of its affairs.

4.4 Intergovernmental Relations Act

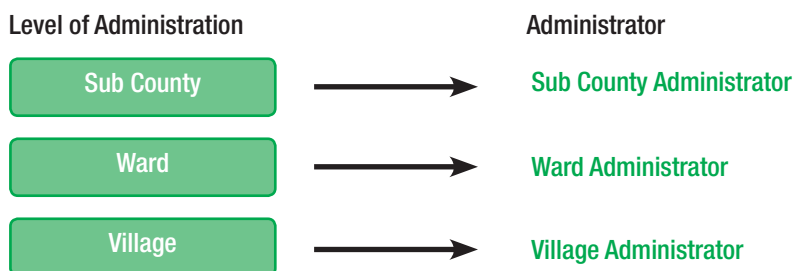
The Intergovernmental Relations Act, 2012 provides for the establishment of a framework for consultation and cooperation between national and county governments, and among county governments. The Act establishes the National and County Government Coordinating Summit which is the apex body for intergovernmental relations. The Summit comprises of the President (in his absence the Deputy President) and the Governors of the 47 Counties. Among the principles of intergovernmental relations is inclusive and participatory governance, and the promotion of accountability to the people in decision making and actions taken. The Act establishes the Council of County Governors comprising of the Governors of the 47 counties. The Council provides a forum for among other things consultation amongst county governments.



5.0 Administration in the decentralized units below the county level

The County government Act, 2012 establishes further levels of decentralization below the county government. These include: Urban areas and cities, Sub-Counties equivalent to the constituency, the ward, the village and other units as may be determined by the county. The County Government Act establishes the offices of the Sub-County Administrator, the office of the Ward Administrator, and the office of the Village Administrator. These administrators are required to be officers with professional qualifications and technical knowledge in administration who shall be competitively appointed by the County Public Service Board. Also established is the village council. The council is chaired by the village administrator.

The Sub- County Administrator shall be responsible for the coordination, management and supervision of the general administrative functions in the Sub- County unit. He or she will also be responsible for the development of policies and plans, and facilitation and coordination of citizen participation in the development of policies and plans and delivery of public services among other functions. Similar functions are to be performed by the Ward Administrator and the Village Administrator in their respective units of decentralization in the County. The Village Council is responsible for among other things ensuring and coordinating the participation of the village unit in governance. The county government act requires the Sub- County Administrator, the Village Administrator and the Ward Administrator to organize forums in their jurisdictions. The village administrator in performing his or her duties is responsible to the relevant Ward Administrator who is in turn responsible to the Sub- County administrator who is responsible to the relevant Chief Officer.



These units of decentralization provide citizens with opportunities to participate in governance processes at the different levels. The structure also enables the flow of information and contribution to governance processes by all citizens upwards right from the village level.



6.0 Planning at the County Level

County planning is a key aspect of the development process. Proper planning ensures that counties use limited resources wisely to address the unlimited needs of the citizens. Under Schedule 4 of the Constitution of Kenya, the responsibility of county planning and development is vested in county governments. County governments are thus expected to decide before hand what will be their short, medium and long term priorities. The process of arriving at those priorities should be one that fully incorporates meaningful public participation. All plans are to be generated by the county executive with the approval of the county assembly.

6.1 Principles of County Planning

Section 102 of the County Government Act, 2012, provides that the principles of planning and development facilitation in a county shall:-

- integrate national values in all processes and concepts;
- protect the right to self-fulfilment within the county communities and with responsibility to future generations;
- protect and integrate rights and interest of minorities and marginalized groups and communities;
- protect and develop natural resources in a manner that aligns national and county government policies;
- align county financial and institutional resources to agreed policy objectives and programmes;
- engender effective resource mobilization for sustainable development and equity in resource allocation within the county;
- provide a platform for unifying planning, budgeting, financing, programme implementation and performance review; and
- serve as a basis for engagement between county government and the citizenry, other stakeholders and interest groups.

Objectives of County Planning

- Ensure harmony between national, county and sub-county spatial planning requirements;
- Facilitate the development of a well-balanced system of settlements and ensure productive use of scarce land, water and other resources for economic, social, ecological and other functions across a county;
- Maintain a viable system of green and open spaces for a functioning eco-system;

- Harmonize the development of county communication system, infrastructure and related services;
- Develop urban and rural areas as integrated areas of economic and social activity;
- Provide the preconditions for integrating under-developed and marginalized areas to bring them to the level generally enjoyed by the rest of the county;
- Protect the historical and cultural heritage, artifacts and sites within the county;
- Make reservations for public security and other critical national infrastructure and other utilities and services;
- Work towards the achievement and maintenance of a tree cover of at least ten per cent of the land area of Kenya;
- Develop the human resource capacity of the county.

6.2 County Planning Framework

The county planning framework is organized into four types of plans namely: The Integrated County Development Plan; County Sectoral Plans; Spatial Plans; and, Cities and Urban Areas Plans (as provided for in the Urban Areas and Cities Act). A fifth one is the County Performance Plan as provided in section 47 of the County Government Act, 2012. The plans are to be developed at county, urban area and city, and other decentralized units of the county. County planning is to be facilitated by the county planning unit.

Responsibilities of county planning unit

- coordinating integrated development planning within the county;
- ensuring integrated planning within the county;
- ensuring linkages between county plans and the national planning framework;
- ensuring meaningful engagement of citizens in the planning process;
- ensuring the collection, collation, storage and updating of data and information suitable for the planning process; and
- ensuring the establishment of a Geographic Information System (GIS) based database system.

6.3 Plans to be developed by County Governments

6.3.1 County Integrated Development Plan

There shall be a five year county integrated development plan for each county which shall have: clear goals and objectives; an implementation plan with clear outcomes; provisions for monitoring and evaluation and clear reporting mechanisms. Integrated development planning is defined as a process through which efforts at the national and devolved levels of government and other relevant public institutions are coordinated at the local level and through which economic, social, environmental, legal and spatial aspects of development are brought together to produce a plan that meets the needs and targets set for the benefit of local communities.

A county Executive Committee may by a resolution introduce a proposal to amend the county integrated development plan. The proposed amendment shall be considered and approved or rejected by the county assembly in accordance with its standing orders. While considering the amendment, cities and urban areas within the county and neighbouring counties affected by the amendment shall be consulted and their comments taken into account before a final decision on the proposed amendment is reached.

6.3.2 Sectoral Plans

A county department shall develop a ten year county sectoral plan as component part of the county integrated development plan. The county sectoral plan shall be programme based. It shall be the basis for budgeting and performance management. Sector plans shall be reviewed every five years and updated annually by the county executive and approved by the county assembly.

6.3.3 Spatial Plans

Each county, city, municipality and town will develop a ten year county Geographic Information System based database system spatial plan. Spatial plans identify development projects and programmes and locates them on specific geographic areas in a county or territory. The plans display the necessary coordination between various sectors, e.g. transport networks and their relationship to agricultural production and markets; industrial areas and energy projects that supply them; zoning of urban-versus-rural areas; public facilities and private home developments. The spatial plan shall be a component part of the CIDP. The plan shall be reviewed every five years and the revisions approved by the county assembly.

6.3.4 City or Municipal Plans

A city or municipal plan shall be the instrument for development facilitation and development control within the respective city or municipality. These plans will include city or municipal land use plans and building and city or municipal building and zoning, and location of recreational areas and public facilities. These plans will provide for functional and principles of land use and building plans, location of various types of infrastructure and development control within national housing and building code.

6.3.5 Performance Management Plan

The performance management plan is provided for in Section 47 of the County Government Act. It is to facilitate the assessment of performance of the county public service and the implementation of county policies. The performance management plan provides the platform to match all performance contracting commitments to the indicators of development established in the other plans. That way there is clarity of who does what in ensuring success of the plans.

Levels of Planning

- Settlements with a population of at least two thousand residents (*Urban Areas and Cities Act, 2011 Section 36(3)*)
- Towns
- Municipalities
- Cities
- Sub-County units
- Ward units
- Village units.

6.4 Citizen Participation in County Planning

Citizen participation is a two-way process where the government provides opportunities for citizen involvement and the citizens choose whether or not to utilize these opportunities based on their interest among other things. Meaningful citizen participation is key to successful devolution and good governance at the county level. This is only attainable if the citizens have a basic understanding of devolution and a realistic idea of how duty bearers (elected/appointed leaders) should perform. It is only then that the citizen will be able to hold their county government to account.

Citizen participation is mandatory in the planning process. The law provides that “county planning shall provide for citizen participation” and that participation shall be done in a process that “involves meaningful engagement of citizens”. To promote public participation, non-state actors are to be incorporated in the planning processes by all authorities (CGA, 2012 Section 104 (4)). This is to be facilitated by a county planning unit.

6.4.1 Facilitating Public Participation in Planning

Public participation in the county planning processes shall be mandatory (CGA, Section 115) and be facilitated through:-

- Mechanisms for citizen participation
- Information communication technology based platforms including websites, blogs, social media sites, e-conferences, chat rooms, text message services and call centres;
- Town hall meetings where citizens meet at a dedicated venue in a central place and have conversations on the governance of their counties;
- Budget preparation and validation fora where citizens contribute to the content of the budget and also help validate it;
- Notice boards used to announce jobs, appointments, procurement, awards and other important announcements of public interest;
- Development project sites where citizens participate in managing the project and also provide the implementation mechanism;
- Avenues for the participation of peoples’ representatives including but not limited to members of the National Assembly and Senate where they can made a meaningful contribution in the county;

- Establishment of citizen fora at county and decentralized units for contributing to service planning and delivery; or
- Referenda where citizens contribute by voting for or against specific matters.

6.4.2 Example on citizen participation in county planning

Case 1: Laikipia County

Laikipia County Integrated Development Planning process was led by the county government with support of technical experts. The work started early in May but it was not until Mid July 2013 that the process took a high priority. On 29-30 July 2013 a county devolution and planning conference was organized in Nanyuki town in which the framework of the CIDP was presented as well as the framework for public participation. On the first day of the conference there was an attendance by a total of 160 people from across the county. Groups based on sectors gave inputs adding to what had been earlier collected during the review of the county 2013/2014 budget. On the second day (30th July) a technical team of about fifty persons worked on the various sector/thematic areas and drafted them into actionable points that were to be included in the CIDP. After the conference the county organized further consultations with citizens in groups and individuals between August 12th and 17th, 2013. During the same period, an email address planning@laikipiacounty.go.ke was availed to the wider public for inputs. Announcements were placed in the daily papers and also word sent out through the Members of the County Assembly. A drafting workshop that brought together the government officials and non state actors was held between the 21st and 23rd August in which the CIDP was discussed and agreed on. On 7 October an all government stakeholders validation workshop was hosted by the County Assembly committee for Planning and Finance. In this forum the Laikipia CIDP was adopted with some amendments and thus committed for approval in the county assembly.

Case 2: Nandi County

The process of developing the Nandi County integrated development plan started with a launch held on 24 June 2013 in Kapsabet town. The Governor and key officials of the county had a planning meeting on the same day in which the schedule of the work and especially public consultations was agreed on. The work was supported by a team of consultants with technical guidance. The county appointed the Deputy Governor to coordinate the process at the policy level with the CEC member for finance and planning with the assistance of the County Development Planning Officer providing the technical coordination. At policy level the discussion was more on the broad priorities and especially those emanating from the governors campaign manifesto, while at the technical level was on the specific details of drafting the actual plan.

Public participation was organized for inputs from organized professional groups and individual citizens through sub-county forums. Mobilization was through local leaders, community radio stations and print media. The last session targeted persons from the county but at the time residing outside the county such as in Nairobi and abroad. The process was participatory in the sense that it involved all actors including the county officials from the various departments, and the private and public sector.

The development process facilitated engagement of the public through community meetings spearheaded by the elected leaders and where the consultants engaged they were able to record information from the community as part of priority for development projects in the county. The activity gave the local community in the larger Nandi County the opportunity to take part in the planning process.

Case 3: Uasin Gishu County

The planning process in Uasin Gishu County began in early June 2013. At this point the county government had not been fully constituted as County Executive Committee Members nominees were yet to be approved by the county assembly. Thus the CIDP development process was driven by the governor himself, assisted with the core team of officers and four consultants supported by a development partner. A difference with other counties is that, the public was consulted after the planning team had developed a working draft. The team argued that it was futile to go to the public with an empty slate. It remains to be seen if this had better results than where the public was asked to propose the priority area at the start of the process. The mobilization was through radio, print media and members of the county assembly.

The County Government organized stakeholder meetings with farmers, religious leaders, women and youth leaders. Stakeholder meetings were also held with professionals drawn from various sectors including health, education, water, the association of manufacturers among others. These were organized as separate forums to ensure that each group was accorded the opportunity to articulate their priorities. Additionally, public engagement was achieved through public forums conducted in the sub-counties. The process can be seen to have comprised of more than six stakeholder meetings held targeting leaders from various sectors including farmers, religious leaders, women and youth leaders, and professionals drawn from various sectors including health, education, water and the association of manufacturers. Six public forums inviting public participation in the planning process were held in the six sub-counties in Uasin Gishu: Kesses, Kapsaret, Ainabkoi, Moiben, Soy and Turbo. One roundtable meeting with the members of the county assembly was held to get their input on the CIDP. One review workshop was held to evaluate progress in development of the CIDP, point out gaps and add development strategies. The participants included members of county assembly, the executive and representatives from non-state actors.

Source: Institute of Economic Affairs Kenya



7.0 County Budgeting

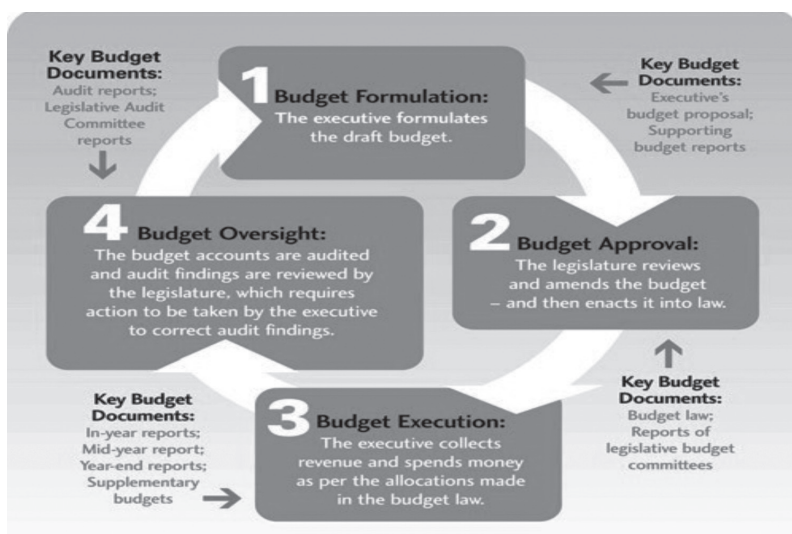
A budget is a plan of raising revenue and spending the same. The budget identifies sources of revenue and allocates expenditures to the various sectors of the economy. It is the means through which a county mobilises resources and allocates them to competing needs. The budget is also the means through which Government convert policy goals into actions on the ground. As part of public finance, the budget allocation process is key to the government's roles of sharing and redistribution of income.

Finance follows function. With devolved governance, government functions have been divided between the national government and County Governments. For each function or power transferred across governments, adequate resources should be provided to ensure effective performance of the function as stated in Article 187 (2) of the constitution.

7.1 Stages in county budgeting

Budgeting at the county level begins with the integrated development planning process, which involves planning and establishment of financial and economic priorities for the county over the medium term. The budget process starts with the issuance of guidelines to be followed by all the county government entities in preparation of the budget. This is then followed by the making of estimates of the county government's revenues and expenditures. Once this is done, the county adopts the County Fiscal Strategy Paper before preparing the estimates for the county government which are then submitted to the County Assembly to scrutinize the votes in the estimates before approval by County Executive Committee for Finance, and should be submitted by end of April annually. This will include the budget estimates and the appropriations Bill. Once approved, the county assembly enacts an appropriation law and other laws required for the implementation of the budget after which implementation begins. (Processes are discussed in detail under 7.2 below.)

Diagram 2: Budgeting Cycle



Source: International Budget Partnerships

7.2 County budget timelines

Stages	Timelines (these are deadlines by which certain activities must be undertaken)	Activities	Mechanism for public participation and /or Remarks
FORMULATION <i>This involves identification of sector priorities, preparation and consolidation of the budget estimates.</i>	August 30th	<ul style="list-style-type: none"> The county treasury develops and issues the Medium Term Expenditure Framework guidelines/ Call circular to all departments signaling the start of the budgeting process It also sets the guidelines and schedule for preparation of budgets by the county departments The circular also contains guidelines and details of how the public can participate in the budget formulation process 	<p><i>On behalf of the public, the Civil society can participate through the Department Working Groups (DWGs)</i></p> <p><i>The citizen can participate in the formulation process through the County Budget & Economic Forum (CBEF) and at forums organized by the administrators at the Sub County, Ward and Village levels</i></p>
	September 1 st	<ul style="list-style-type: none"> Preparation and tabling of annual development plan to the County Assembly for approval <p><i>This plan must be made public within 7 days of approval</i></p>	<ul style="list-style-type: none"> <i>The public can participate in the preparation of the plan through the CBEF</i> <i>The public can participate through the Members of County Assembly (MCA)</i>

	September 30 th	<ul style="list-style-type: none"> • Preparation of the County Budget Review and Outlook Paper (CBROP). This captures updated economic and financial forecasts with sufficient information that will inform the budget proposal • It also reviews previous year's budget and updates outlook for the forthcoming budget year. CBROP sets preliminary budget sector ceilings over three years <p><i>CBOP must be approved by both the CEC and the County Assembly. It must be published by November.</i></p>	<ul style="list-style-type: none"> • <i>Through Public Consultations during formulation of CBROP</i> • <i>Through CBEF</i>
	February 28 th	<ul style="list-style-type: none"> • Deliberations on the inputs for the upcoming budget estimates. • Submission of the County Fiscal Strategy Paper (CFSP) to the County Assembly for Approval. The CFSP must be aligned with the national objectives in the Budget Policy Statement (BPS) <p><i>The purpose of the CFSP is to provide a forecast for the economy thus serving as a basis for expectations about revenues and expenditures in the coming year</i></p> <p><i>It also sets the final budget sector ceilings for the next three financial years upon approval by the county assembly</i></p> <p><i>The CFSP must be approved by March 14th (two weeks after submission to the county assembly)</i></p>	<ul style="list-style-type: none"> • <i>Pre-budget public consultative forums</i> • <i>The CBEF must provide an opportunity for the citizen to participate during the formulation of CFSP</i> • <i>Through the MCAs.</i> • <i>Forum held by the Village, Ward and sub-county administrators in their jurisdictions.</i>
	February 28 th	<ul style="list-style-type: none"> • The County Debt Management Strategy (CDMS) should be submitted as soon as possible thereafter then published and publicized. 	<p><i>This is entirely an executive affair</i></p>
	April 30 th	<ul style="list-style-type: none"> • Submission of county budget estimates together with supporting documents by the CEC member, Finance to the county assembly 	<p><i>Citizen can participate through the Sector Working Groups (SWGs) during the preparation stage.</i></p> <p><i>Through CBEF</i></p> <p><i>Through the MCAs.</i></p>

<p>APPROVAL</p> <p><i>This involves debating, amending the budget estimates.</i></p>	May-June	<ul style="list-style-type: none"> The Budget and Appropriation Committee of the County Assembly conducts public hearings on the budget estimates. 	<i>Citizen can participate through public hearings conducted by the Budget and Appropriation Committee</i>
	April 30th- June 30th	<ul style="list-style-type: none"> The county Assembly discusses amends and/ or approves the budget estimates. <p><i>The county Assembly scrutinizes the budget in adherence to fiscal responsibility and public finance principles. The scrutiny and approval has to be done between April 30th and June 30th</i></p>	<i>Through the MCAs</i>
	June	<ul style="list-style-type: none"> Submission of the County Appropriation Bill to the County Assembly 	<p><i>Through the MCAs</i></p> <p><i>Citizen can participate through public hearings conducted by the Budget and Appropriation Committee</i></p>
	June 15 th	<ul style="list-style-type: none"> Preparation of annual County government Cash Flow Projections (CCFP) for the next financial year <p><i>The CCFP must be submitted to the Controller of Budget with copies to the Intergovernmental Budget and Economic Council and the National Treasury</i></p> <p><i>The CCFP should show how much a county expects to take in by month, and how much it expects to spend by month. This helps in knowing whether the county will be able to execute all the projects in its budget. When CCFP is reviewed at any point in the financial year, one can tell whether the revenue and spending projections were realistic</i></p> <p><i>A good cash flow projection is not simply presented at the aggregate level, but is broken down by revenue source and expenditure type.</i></p>	<i>This is entirely an executive affair.</i>

	June 30 th	<ul style="list-style-type: none"> This is the deadline for the enactment of the County Appropriation Bill in order to authorize spending for the new financial year 	<p><i>Citizen can participate through public hearings conducted by the Budget and Appropriation Committee</i></p> <p><i>Through the MCAs.</i></p>
	June - September	<ul style="list-style-type: none"> The Finance Bill is introduced to the county Assembly, debated and approved. The Finance Bill should be passed within 90 days from June 30th <p><i>The Finance Act is the legal instrument that allows the county government to collect revenues.</i></p>	<p><i>Citizen can participate through public hearings conducted by the Finance Committee of the county assembly</i></p>
<p>IMPLEMENTATION</p> <p><i>The government raises revenue and allocates it to the spending units.</i></p> <p><i>Every three months, the County treasury prepares a report on the implementation of the budget to be submitted to the county assembly.</i></p> <p><i>These reports are produced to help the MCAs provide oversight of the budget implementation process.</i></p> <p><i>These reports are produced as the budget is implemented, so that problems with spending are not only identified but also corrected before the fiscal year is over</i></p>	October 30 th	<ul style="list-style-type: none"> The county Treasury submits to the county assembly a report on both financial and non-financial performance of all its departments one month at the end of every quarter The public can review and provide inputs on quarterly implementation reports produced by the office of Controller of Budget and the counties with the CBEF <p>This is meant to facilitate implementation of activities, projects and programmes as per the approved budget before authorizing spending</p>	<p><i>The key players involved in this are the County entities, County Treasury, The Office of the Controller of Budget, The National Treasury and the Public.</i></p> <p><i>The Controller of Budget reviews spending and issues reports on budget implementation at least every 4 months</i></p> <p><i>These reports should be public and should provide an opportunity for the public to raise questions about the budget implementation.</i></p>
	January 31 st	<ul style="list-style-type: none"> The county treasury produces and publishes the 2nd quarter report 	
	April 30 th	<ul style="list-style-type: none"> The county treasury produces and publishes the 3rd quarter report 	
	July 31 st	<ul style="list-style-type: none"> The county treasury produces and publishes the 4th quarter report 	
<p>AUDITING/ OVER-SIGHT- The Auditor-General and county Assembly reviews whether actual spending was in line with the approved budget.</p>	December 31 st	<ul style="list-style-type: none"> The Auditor-General should audit and report on the previous financial year within 6 months after the end of each financial year. <i>Within three months after receiving an audit report, the county assembly shall debate and consider the report and take appropriate action</i> 	<p><i>Application of social accountability tools and mechanism. (Citizen and non-state actors)</i></p>

7.3 Citizen participation in County budgeting

The Public Finance Management Act, 2012 provides for citizen participation in public financial management and in particular: the formulation of the National Budget Policy Statement, County Fiscal Strategy Paper, the Budget Estimates; the preparation of Division of Revenue Bill and County Allocation of Revenue Bill. The County Budget and Economic Forum provides a platform for public participation in county planning and budgeting.

The County Government Act 2012 requires the county government to facilitate establishment of modalities and structures for public participation. The county government shall facilitate the establishment of structures for citizen participation including budget preparation and validation (Section 91, County Government Act) Some of the formal mechanisms for public participation include Pre-budget public sector consultative forums, County Budget and Economic Forum (CBEF), The Sector Working Groups (SWGs), and Budget and Appropriations Committee hearings among others.

Advantages of public participation in county budgeting

- Leads to better alignment of public needs with the choices of government officials.
- Leads to more equitable distribution of resources.
- Reduces corruption.
- Builds the legitimacy and credibility of government.
- Ensures support of government programmes through citizen ownership.
- Encourages citizens to pay taxes.
- Encourages investors to commit funds.

Who participates in county budgeting and how

Public participation can happen through:

- Multiple open public forums that have been widely advertised around the county.
- Forums in which people nominate representatives from lower levels (villages/sub-locations) to represent them at higher levels (wards/counties).
- Formation of a randomly selected group of citizens, sometimes known as a “mini-public,” brought together to deliberate.
- Formation of a group of citizens selected based on particular characteristics, such as region, type of organization, class, etc.
- Use of representative surveys or focus groups across the county that ask the public for specific views.

What are the public consulted about

At the budget formulation stage	At the implementation stage
<ul style="list-style-type: none"> • The public can determine how to spend development (capital) funds on investment projects in the county. 	<ul style="list-style-type: none"> • The public can participate in sector councils that provide oversight of budget implementation in a single sector.

- The public can determine how to spend part of the recurrent or operational budget in the county.
- The public can participate through councils that are organized around specific sectors (e.g. health) where they discuss part of or the full sector budget.
- The public can discuss the entire budget, both recurrent and development, and all sectors, especially if a mini-public is formed to deliberate on this.
- The public can participate in reviewing regular implementation reports for the whole budget throughout the year and providing input into the performance indicators used to monitor budget execution.
- Citizens can participate directly in monitoring projects by working together with county officers to visit project sites and review project records.

Source: International Budget Partnerships

7.3.1 Pre-budget public sector consultative forums

The Public Finance Management Act 2012 requires both the county and national government to engage the public in the budget process. One way of effecting this requirement is to conduct Pre-budget public sector consultative forums where the citizen are invited to deliberate on the inputs for the new financial year's budget. In such fora, citizen are usually encouraged to either make oral submissions on the material day or present a memo clearly specifying their policy proposals addressed to the county treasury. Submissions can be made by individual members of public, civil societies, private sector representatives or members of any organized groups.

7.3.2 Participation through the County Budget and Economic Forum

The constitution and subsequent legislation, such as the County Governments Act and the Public Finance Management Act, require public participation in matters of public finance. County governments are required to set up a County Budget and Economic Forum. The forums provide a means for consultation by the county government on: the "preparation of county plans, the County Fiscal Strategy Paper, and the Budget Review and Outlook Paper for the county; and matters relating to budgeting, the economy and financial management at the county level." The forum is to be chaired by the governor and has the representation of an equal number of County Executive and non-public officials. The non-public officials should be nominated by organizations representing professionals, business, labour issues, women, persons with disabilities, the elderly and faith based groups at the county level

7.3.3 Sector Working Groups / Department Working Groups

The Sector Working Group (SWG) are made up of many different actors, including representatives from the Ministries of Finance, Planning and National Development, and Health among others. Additionally, each SWG includes representatives from development partners, civil society and the private sector. The role of the SWG is to prepare the Medium Term Expenditure Framework (MTEF) sector reports that synthesize ministerial expenditure requirements to implement policy goals in reference to a Treasury Call Circular. The SWG identifies and ranks sector priorities, and analyzes the costs of the different proposed policies, programmes and activities. The departments

within the sectors are expected to review their budgetary priorities and needs, taking into consideration the national priorities as set out in the guidelines; on-going activities and projects; and the financial plans of the sectors. Once the review has been accomplished, the reports are expected to contain costed programmes which are ranked in order of priority on a three-year rolling plan together with a criteria for allocation of resources among competing needs.

7.3.4 Budget and Appropriations Committee hearings

The County Assembly has a Budget and Appropriation Committee whose mandate is to examine the County Fiscal Strategy Paper and evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays. The committee is expected to invite submissions from members of the public in addition to the Chairpersons of all Departmental Committees to make presentations during the pre-budget public consultations and also during consideration of the budget estimates. Such submissions can either be made orally or through written memoranda. The notice for public invitation to the committee hearings must be communicated in good time for the citizen to attend. This committee invites public input for both the pre-budget and post-budget deliberations.



8.0 Social Accountability

Social accountability can be broadly defined as citizen-led action to demand accountability from the duty bearers. It aims at strengthening the voices of citizens to demand greater accountability and responsiveness directly from public officials and service providers. Social accountability mechanisms cover a broad range of actions that citizens, communities and civil society organizations can use to hold government officials accountable. Social accountability is demand-driven (bottom-up).

Reasons for social accountability

- Concerns about issues of governance and accountability
- Dissatisfaction with public service delivery
- Lack of transparency in the utilization of public resources
- Corruption in the management of public resources
- Failure of existing mechanisms for ensuring public accountability to resolve governance and accountability problems
- Addressing poor discharge of functions or provision of services by the government agencies in between elections

Importance of social accountability

- Improved governance
- Increased development effectiveness through improved public service delivery and more informed policy design
- Empowerment especially of the poor.

8.1 Social accountability mechanisms and tools

Social accountability mechanisms cover a broad range of actions that citizens, communities and civil society organizations can use to hold government officials accountable, including, but not limited to: participatory budgeting, independent budget analysis, public expenditure tracking, citizen report cards, community scorecards, social audits, citizen's charters, public hearings and community radio.

The multiple purposes of social accountability tools can broadly be broken down as: (a) improved governance and accountability, (b) increased development effectiveness, and (c) increased citizen empowerment³. It is important to note that social accountability is not a purely diagnostic approach, but also involves advocacy and empowerment elements. Some of these tools and mechanisms are highlighted below.

8.1.1 Participatory planning

What it is about	Importance
<p>Participatory planning is a process by which citizens take part in planning. Participatory planning allows citizens, local Community Based Organisations (CBOs), CSOs, government officers and other stakeholders to take part in the identification and prioritization of development projects to be implemented with public funds.</p>	<ul style="list-style-type: none"> • Increases citizen’s voice by providing opportunities for citizens to identify their development needs and also prioritize development projects. • Citizens get more informed about development plans as they participate in addressing their needs. This enables the citizens to monitor the implementation of development projects and programmes. • Builds the capacity of citizens and civil society through exposure to the government planning processes. • Enhances the legitimacy of government and promotes mutual understanding and trust as different stakeholders sit and work together. • Enhances democracy by enabling citizens and government officials take decisions on development together.

8.1.2 Participatory budgeting

What it is about	Importance
<p>Participatory budgeting is a bottom-up approach in which citizens engage with government officials on how public funds are prioritized and used. It allows for the preparation of budgets that are more responsive to citizens’ preferences. Participatory budgeting ensures the direct participation of citizens and their representatives in respect of budget allocation, and the management and monitoring of expenditure.</p>	<ul style="list-style-type: none"> • Greater likelihood of solving local problems. • Ensures budgets that are more responsive to local needs. • Empowers citizens to influence public decisions in regard to matters having direct impact on them. • Increased information and understanding among citizens on the budget and its limitations. • Ensures budgetary allocations to poor and marginalised areas. • Avoids duplication of projects at the local level. • Increases transparency in management of public resources. • Improves targeting of public spending. • Reduces corruption.

8.1.3 Independent Budget Analysis

What it is about	Importance
<p>Independent budget analysis (IBA) is analytical and advocacy work aimed at making public budgets more transparent and at influencing the allocation of public funds through the budget.</p>	<ul style="list-style-type: none"> • Improves information sharing and public understanding of the budget. • Demystifies the technical language of official budgets and increase transparency in the budgetary process. • Helps to inform citizens on the impact of budget allocations on their daily lives and to mobilize public opinion to pressure for greater equity in budget allocations. • Improves targeting of funds for vulnerable groups- can help empower vulnerable groups by giving voice to their concerns and ensuring that funds address their needs. • Can help improve effectiveness and efficiency of public spending by making trade-offs explicit, helping to optimize the use of scarce public resources. • By analyzing the impact of taxes and tax reform on different groups in society, independent budget analysis can help ensure greater equity in revenue collection.

8.1.4 Citizen Report Cards

What it is about	Importance
<p>Citizen's report card is a powerful medium to express the opinions and voice of citizens about the services they receive. It is a method of providing feedback to government offices after evaluating citizen's direct experience, observation, and feelings through a participatory survey method. It is a way for citizens to take their feelings and experience about a government service to the concerned offices in an appropriate approach. The information is obtained by directly asking questions to consumers of public services. It can also be managed simply by observation.</p> <p>Citizen report cards aim at finding out the perspective of those receiving service about the quality of public service. It also aims at disclosing the grievances of service receivers' against the providers. It assists in knowing service receivers' views on irregularities in service providing offices.</p>	<ul style="list-style-type: none"> • Provide service providers with information about how public resources are being used and how the services are impacting on the citizens. • Ensures that information is received about the services being delivered and helping these services to be citizen and result oriented. • Policy makers can listen to citizen's demands about alternatives and bring these to the policy making level. • Prompt and practical improvements in service delivery can be made by providing information about the effectiveness of service delivery. • Enables assessment of the impact of public policies and programs. • Feedback based on the achievements of the services can influence budget allocations.

8.1.5 Public Expenditure Tracking Survey

What it is about	Importance
<p>Public Expenditure Tracking Survey (PETS) is a method through which citizens try to find out how much budget is allocated to the activities implemented by the local bodies; how much of this budget is spent or is being spent, and outputs obtained through the money that has been spent. It tracks the flow of public funds and material from the central government level, through the administrative hierarchy all the way to the frontline service providers. PETS aim at improving the quality of service delivery at the local level. PETS help in the identification of problems, weaknesses, irregularities and leakages in the management of public budget expenditures. It enables citizens to find out whether any of the plans, programs and resources has indeed reached their targets, whether the money was spent for the already approved purpose and, if not, what ways can be found to spend the budget as per the approved purposes.</p>	<ul style="list-style-type: none"> • Fight corruption by uncovering leakages in the system between the source and the destination in the flow of funds or goods. • Detect problems of service delivery in the form of staff absenteeism or ghost workers. • Improve the efficiency of budget execution. • Ensures that resources reach the front line service providers and ultimately the intended beneficiaries i.e. the poor.

8.1.6 Community Score Cards

What it is about	Importance
<p>Community Score Cards is a mechanism through which citizens monitor the quality of community based public services. It provides the opportunity for citizens to analyse any particular service they receive based on their personal feelings, to express dissatisfaction, to provide encouragement if good work is done and further suggest measures to be taken if flaws still remain. The community score cards help both sides to identify the reasons for poor services and find out solutions for the problems identified. Community score cards allow people to make more efficient use of resources through the monitoring of a particular service or project.</p> <p>A community score card is generally held in four phases: (1) estimates about resources and the budget of the office under scrutiny are evaluated, (2) work performance is estimated, (3) service receivers and providers sit in separate groups and evaluate the service, (4) service receivers and providers again sit together and discuss the indicators and the facts.</p>	<ul style="list-style-type: none"> • Enables reforms in service provision as a result of feedback from the consumers of service. • Provides regular feedback on quality of service to service providers. • Linking service providers to the community empowers citizens to provide immediate feedback to service providers.

8.1.7 Civic Education

What it is about	Importance
<p>Civic education is simply education imparted to citizens with the aim of ensuring that they participate in governance thereby contributing to a progressive society. It makes the citizen conscious and enables them understand the role of the citizen. This empowers them to express concerns about political, social, administrative and economic management of the country. Information makes the citizen alert enabling them to play a dynamic role as a citizen by participating in governance.</p>	<ul style="list-style-type: none"> • Can bring positive changes in the way that a citizen views his or her society. • Helps develop the habit of developing an understanding and knowledge about the local context. Enables citizens to know how the central and county governments work, how planning is done, how policies and the budget are formulated, opportunities for participation in devolved governance.

8.1.8 Public hearings

What is it about	Importance
<p>These are formal meetings at the community level where local officials and citizens have the opportunity to exchange information and opinions on community affairs. It enables the citizens to raise their concerns in front of elected officials and bureaucrats on the one hand and an important feedback mechanism for the officials to gain a better understanding of the citizens' experiences and views.</p> <p>It is also an opportunity for citizens receiving local services and officials providing services to share on matters of public interest. It provides citizens with the opportunity put forward personal and community related problems to the service providing officials. It helps make service providers accountable to citizens, increases transparency in the service provider's activities.</p>	<ul style="list-style-type: none"> • Makes those holding public positions and providing services accountable to stakeholders. • Increases transparency in public service delivery.

8.1.9 Public Revenue Monitoring

What is it about	Importance
<p>The income government collects determines what kind of programs, projects and services it can conduct. County governments collect raise revenue using their authority and determine the local programs and service they can provide based on the amount of revenue they have collected. It is necessary for citizens to keep themselves informed about the size of their county budget. This knowledge enable citizens hold their governments accountable for the mobilisation and management of the public funds. Revenue monitoring enables the citizens know how much money is at the disposal to their government and how the revenue collected has been spent.</p>	<ul style="list-style-type: none"> • Helps citizens understand how national and local governments have mobilised economic resources. • Has a positive effect on those who want to learn where and how the available public money is going to be spent for local development and for the greater benefit of the citizenry. • Enables effective monitoring of government expenditures. • Reduces chances of corruption and mismanagement of public resources. • Enhances accountability, improves governance, improves public service delivery and enhanced development effectiveness.

8.1.10 Citizens Charters

What is it about	Importance
<p>A Citizen Charter is a public notice displayed by public institutions which provide public services for the information of the service receivers. The charter mentions the types of services available, the service charges/fee, the responsible person providing the service, the service quality or expected standards, the duration for providing the service, the terms and procedures of service delivery and the remedy for non- adherence to standards and if service is not available etc. A Citizen Charter also signifies a commitment expressed by the institution in the context of a particular service meant for targeted service receivers. Separate charters are usually designed for distinct services and/or organizations and agencies.</p>	<ul style="list-style-type: none"> • Aims to improve the quality of services by publishing standards which users can expect for each service they receive from the Government. • Simple medium for citizens to receive information about the services being provided. • Citizens are well informed about the process, money and time involved in making the service available to them. • Reduces the possibility of a situation where the staff of an office creates confusion about the services and poses unnecessary problems to those wishing to access services. • Helps ensure that the service is speedy and of good quality, that service providers are accountable and transparent. • Reduces corruption.

8.1.11 Social Audits

What is it about	Importance
<p>Social audit can be defined as an approach and process to build accountability and transparency in the use and management of public resources. It relies on engagement from citizens and/or Civil Society Organizations to directly and/or indirectly demand accountability and transparency in the public policy and budget cycles. Social audit is participatory, and can be an anti-corruption and efficiency enhancing mechanism. It is based on the premise that citizens want and have the right to know what the government does; how it does it; how it impacts on them; and that the government has an obligation to account and be transparent to citizens. Social audit is a process that collects information on the resources of an organization. The information is analyzed and shared publicly in a participatory manner. The central concern of a social audit is how resources are used for social objectives. Social audits may be used for investigating the work of all government departments. They may also be used to manage a particular project in one village at a given time.</p>	<ul style="list-style-type: none"> • Helps prevent corrupt practices. • Informing the government about the potential impact and consequences of public policies/programmes. • Keeps community informed about government policies and actions and articulating citizens' demands and needs. • Measures consistency between promises and actual results of public policies. • Enhances governance through accountability and transparency - allows ordinary citizens to access information, voice their needs, evaluate performance, and demand greater accountability and transparency. • Increases public policy effectiveness- through improved public service delivery and more informed policy design and evaluation. Social audit can help assess the quality of key essential services to its citizens, resources management and how citizens' demands are being articulated in the public policy and budget cycle processes.



Annex 1: Functions of national and county governments

National Government	County Government
<ol style="list-style-type: none"> 1. Foreign affairs, foreign policy and international trade. 2. The use of international waters and water resources. 3. Immigration and citizenship. 4. Relationship between religion and state. 5. Language policy and the promotion of official local languages. 6. National defence and the use of national defence services. 7. Policing services including <ol style="list-style-type: none"> a) The setting of standards of recruitment, training of police and use of police services; b) Criminal law; and c) Correctional services 8. Courts. 9. National economic policy and planning. 10. Monetary policy, currency, banking (including central banking), the incorporation and regulation of banking, insurance and financial corporations. 11. National statistics and data on population, the economy and society generally. 12. Intellectual property rights. 13. Labour standards. 14. Consumer protection, including standards for social security and professional pension plans. 	<ol style="list-style-type: none"> 1. Agriculture, including- <ol style="list-style-type: none"> a) crop and animal husbandry; b) livestock sale yards; c) county abattoirs; d) plant and animal disease control; and e) fisheries. 2. County health services, including, in particular- <ol style="list-style-type: none"> a) county health facilities and pharmacies; b) ambulance services; c) promotion of primary health care; d) licensing and control of undertakings that sell food to the public; e) veterinary services (excluding regulation of profession); f) cemeteries, funeral parlours and crematoria; and g) refuse removal, refuse dumps and solid waste disposal. 3. Control of air pollution, noise pollution, other public nuisances and outdoor advertising. 4. Cultural activities, public entertainment and public amenities, including- <ol style="list-style-type: none"> a) betting, casinos and other forms of gambling; b) racing; c) liquor licensing; d) cinemas; e) video shows and hiring; f) libraries; g) museums; h) sports, cultural activities and facilities; and i) county parks, beaches and recreation facilities.

<p>15. Education policy standards, curricula, examinations and the granting of university charters.</p> <p>16. Universities, tertiary educational institutions and other institutions of research and higher learning and primary schools, special education, secondary schools and special education institutions.</p> <p>17. Promotion of sports and sports education.</p> <p>18. Transport and communications, including, in particular-</p> <p>(a) road traffic;</p> <p>(b) the construction and operation of national trunk roads;</p> <p>(c) standards for the construction and maintenance of other roads by counties;</p> <p>(d) railways;</p> <p>(e) pipelines;</p> <p>(f) marine navigation;</p> <p>(g) civil aviation;</p> <p>(h) space travel;</p> <p>(i) postal services;</p> <p>(j) telecommunications; and</p> <p>(k) radio and television broadcasting.</p> <p>19. National public works.</p> <p>20. Housing policy.</p> <p>21. General principles of land planning and the co-ordination of planning by the counties.</p> <p>22. Protection of the environment and natural resources with a view to establishing a durable and sustainable system of development, including, in particular—</p> <p>(a) fishing, hunting and gathering;</p> <p>(b) protection of animals and wildlife;</p> <p>(c) water protection, securing sufficient residual water, hydraulic engineering and the safety of dams; and</p> <p>(d) energy policy.</p> <p>23. National referral health facilities.</p> <p>24. Disaster management.</p> <p>25. Ancient and historical monuments of national importance.</p> <p>26. National elections.</p> <p>27. Health policy.</p>	<p>5. County transport, including-</p> <p>a) county roads;</p> <p>b) street lighting;</p> <p>c) traffic and parking;</p> <p>d) public road transport; and</p> <p>e) ferries and harbours, excluding the regulation of international and national shipping and matters related thereto.</p> <p>6. Animal control and welfare, including-</p> <p>a) licensing of dogs; and</p> <p>b) facilities for the accommodation, care and burial of animals.</p> <p>7. Trade development and regulation, including-</p> <p>a) markets;</p> <p>b) trade licenses (excluding regulation of profession);</p> <p>c) fair trading practices;</p> <p>d) local tourism; and</p> <p>e) cooperative societies;</p> <p>8. County planning and development, including-</p> <p>a) statistics;</p> <p>b) land survey and mapping;</p> <p>c) boundaries and fencing;</p> <p>d) housing; and</p> <p>e) electricity and gas reticulation and energy regulation.</p> <p>9. Pre-primary education, village polytechnics, homecraft centres and child care facilities.</p> <p>10. Implementation of specific national government policies on natural resources and environmental conservation, including-</p> <p>a) soil and water conservation; and</p> <p>b) forestry.</p> <p>11. County public works and services, including-</p> <p>a) storm water management systems in built-up areas; and</p> <p>b) water and sanitation services.</p> <p>12. Fire fighting services and disaster management.</p> <p>13. Control of drugs and pornography.</p>
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<p>28. Agricultural policy.</p> <p>29. Veterinary policy.</p> <p>30. Energy policy including electricity and gas Reti culation and energy regulation.</p> <p>31. Capacity building and technical assistance to the counties.</p> <p>32. Public investment.</p> <p>33. National betting, casinos and other forms of gambling.</p> <p>34. Tourism policy and development.</p>	<p>14. Ensuring and coordinating the participation of communities and locations in governance at the local level and assisting communities and locations to develop the administrative capacity for the effective exercise of the functions and powers and participation in the governance at the local level.</p>
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Annex 2:

Glossary of Words

<i>Appropriations Bill/Act</i>	A bill or act that the national or county assembly must approve to allow the government to start spending the money that is in the budget
<i>Budget Estimates</i>	This is the executive budget proposal. It lays down the spending of all ministries
<i>Budget Policy Statement</i>	This is a document which lays down government's broad plans for the next budget year. It includes discussions of economic trends and an estimate of overall spending and revenues.
<i>County Allocation of Revenue Bill</i>	A bill that determines how much each county will get of the total amount that is allocated for all 47 counties
<i>Contingencies Fund</i>	Special fund set aside by national government for emergencies that were unforeseen when the budget was passed
<i>County Emergency Fund</i>	Special fund set aside by county government for emergencies that were unforeseen when the budget was passed
<i>County Fiscal Strategy Paper</i>	Lays down the broad plans for the next budget year. It discusses economic trends and an estimate of overall spending and revenues
<i>Budget Review and Outlook Paper</i>	Produced annually by the end of September. The paper assesses how well the government did in meeting its revenue and spending targets in the previous year. It also updates the forecasts for the current year that were obtained in the County Fiscal Strategy Paper
<i>Division of Revenue Bill</i>	A bill that establishes how much of national revenue will be given to the national government and how much will go to the counties together
<i>Finance Bill</i>	A bill to authorize tax and other revenue measures by a county government or the national government



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