

Timely County Budget implementation reports are a key route to checking inequality

by James Muraguri

Government decisions on how money is spent should be made known to people in a timely manner if we are to maintain high levels of accountability in management of public finances. As at January 2020, a quick scan for quarter one budget implementation reports around the web by the Institute of Public Finance Kenya for county budget implementation reports for the FY 2019/20 found out that only Baringo County had made the report publicly available as required by the PFM law.

How then will citizens keep their governments accountable if budget documents access is a challenge? What are the county assemblies doing in ensuring transparency and accountability of public funds? Section 166 of the PFM Act 2012 is very clear on quarterly reporting obligation of the county treasuries. So, whose failure is it that counties are not making disclosures on how funds entrusted to them are being spent?

It is imperative to understand that the effects of budget transparency need to be seen in the context of how much effort the government puts in to ensure that citizens understand and interact with the budget itself. The International Budget Partnership defines budget transparency as the public availability of key budget documents (“available” is defined as those documents published online on an official government website in a timely manner) and from the perspective of the comprehensiveness of the information they contain. The taxes collected by government in order to fund public programmes for reduced inequalities and improved quality of life is essentially a social contract between the governing and the governed and this requires that the governments make available budget documents that provide information on how that social contract is being executed.

Over the years, governments across the world have continued to respond to demands for increased level of transparency on how collected taxes are planned for and the process under which systems are deployed to effectively manage them. However, an independent, comparative assessment of the three pillars of public budget accountability: transparency, oversight and public participation by International Budget Partnership in 2017 showed a modest decline in average global budget transparency scores, from 45 in 2015 to 43 in 2017 for the 102 countries that were surveyed in both rounds (scores are out of a possible 100). Kenya’s transparency score dropped from 48 to 46 between 2015 and 2017 which was as a result of failing to publish a Mid-Year Review online, Producing and publishing a Citizens Budget (“the Mwananchi Guide”) in the year under review, and failure to increase the information provided in the Year-End Report by including detailed actual outcomes for expenditures and comparisons between planned nonfinancial outcomes and actual outcomes among other reasons.

As years progress and our Public Finance environment mature, the Office of the Controller of Budget is slowly but surely maturing within the same pace. The Controller of Budget has a constitutional mandate in reporting on how public funds are being spent and that should not replace the county government treasuries obligation on reporting to citizens on how funds are

being spent. In the current financial year, the first quarterly report on county budgets implementation, though annoyingly late, has greatly improved with regards to quality of data compared with previous editions. The report has considered sub program level reporting for some counties and not others.

While this is a good start, key things we look forward to seeing in future reports is the consistency with the formats under which the program-based budgets are produced and approved. There is critical data that is contained in the budgets and missing in the reports and which include targets, key indicators and responsible administrative units under which they are monitored. Other key issues that they controller of budget should consider include the amount of resources that counties are spending in monitoring and evaluation of budget implementation and especially on what steps the government is taking to include vulnerable and under-represented parts of the population in the implementation budget. These considerations will be important to ensure that there is deliberate effort in addressing inequalities and including the most vulnerable of our citizens in determining how taxes are spent and reported on.

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