

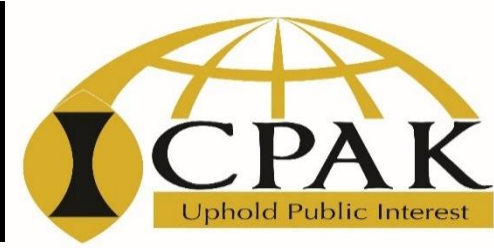


# **PUBLIC FINANCE MANAGEMENT SEMINAR**

## **Role of County Assembly in Budgeting**

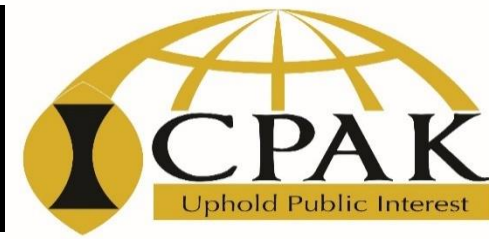
**Mountain Breeze Hotel – Embu, 28<sup>th</sup> - 29<sup>th</sup> September 2017**

# Presentation Plan



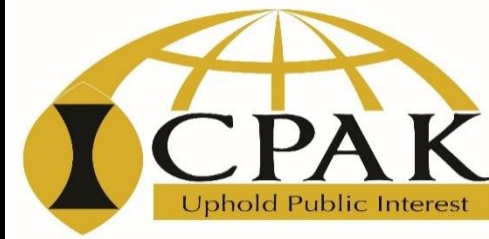
- The Constitutional provisions
- The PFM Act & 2015 Regulations
- Lessons Learnt

# Introduction



- ✓ Ideally, governments are created through a political process that assigns some the role of governors and others the governed!!
  
- ✓ While modern governance relations tends to democratic processes, other forms of governance (often autocratic) systems have existed through out civilization
  
- ❑ A keen observer of the history of human civilization will notice that some were assigned to be governor's and others to be the governed!!

# Legal Framework



## *Constitution of Kenya 2010*

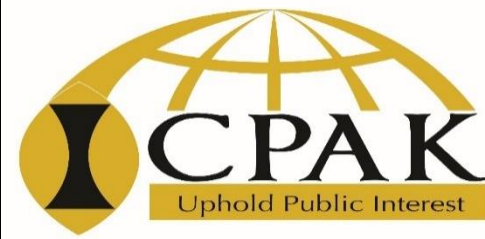
**Article 1 (2) (4):** All sovereign power belongs to the people of Kenya and shall be exercised only in accordance with the Constitution. The people may exercise their sovereign power either directly or through their democratically elected representatives

**Article 10 (2) (a)** National values include democracy and participation of the people

**Article 35:** The right to information is a fundamental right necessary for the enjoyment of all other rights.

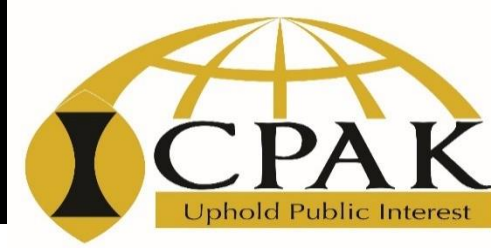
**Article 196 (1) (b):** It requires that the county assembly facilitates public participation in the legislative and other business of the assembly.

# Politics and PFM



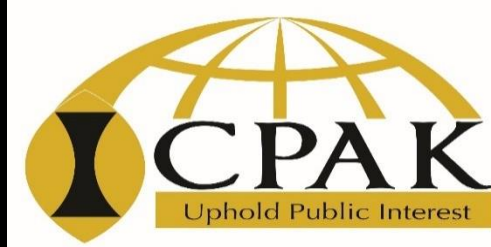
- ✓ Governments are creatures of political systems
- ✓ In any form of civilization, government tax and apply the taxes for public good
- ✓ Politics in finances is not only limited to PFM...it also transcends into the **corporate** and **family** fronts!
- ❑ **Budgets at whatever level are political instruments**

# Who is Responsible for Preparing Budgets at the County?



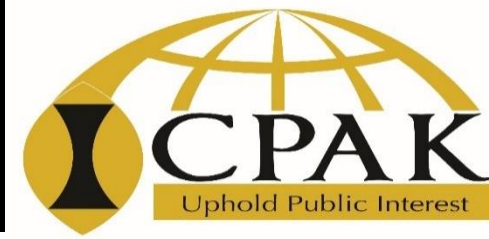
- ❑ Responsibilities of County Treasury:
  - Shall prepare & submit the CFSP (Sec. 117)
  - Shall prepare & submit CBROP (Sec. 118)
  - Authorizing opening, operating & closing bank accounts (Sec. 119)
  - Shall manage the county cash based on a framework established by CA & regulations (Sec. 120)
  - Shall maintain a record of loans (Sec. 122)
  - **Process of budget preparation (Sec. 125)**
    - A County government shall prepare a development plan (Sec 126)
    - A county government shall prepare annual cash plan b4 June 15 (Sec. 127)
    - **CEC Finance Shall manage the budget process in the county (Sec. 128)**

# Functions of CA's (Art. 185)



- Vested with the Legislative authority (185(1))
- Make any laws necessary or incidental to, effective performance of the county government functions and exercise of its powers
- May oversight the executive **while respecting the principle of separation of powers**
- CA may receive and approve plans & policies for:
  - ✓ Management & exploitation of county resources
  - ✓ Development and management of its infrastructure

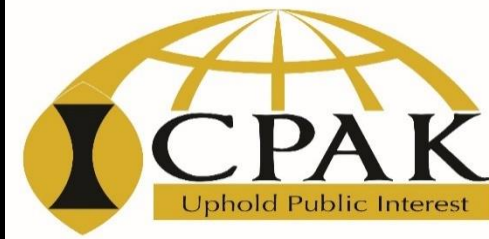
# County Assembly



- Enact County Legislation to government County PFM in line with the Constitution and other national legislations
- Authorize withdrawal of funds from County Revenue Fund either through:-
  - County legislation
  - County Appropriation Act
- Authorize imposition , waivers or variations of taxes assigned to county governments under Art. 209
- Approve any borrowing by County Governments Art. 212

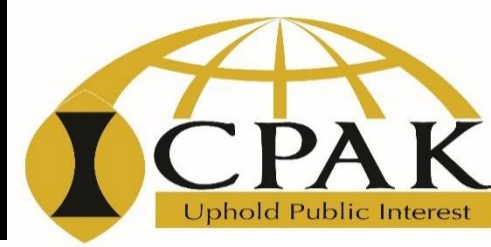


# County Assembly

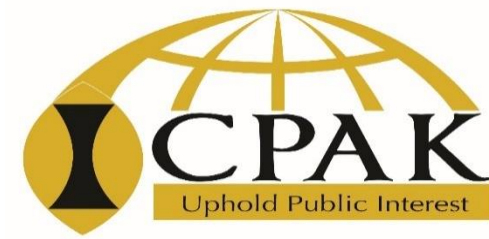


- Receive, debate and approve:-
  - county budgets via county appropriation Bill and
  - county revenue raising measures via County Finance Bill
  
- Receive, debate and adopt reports from Controller of Budget and Auditor General and take appropriate action – Art. 228 and 229
  
- Hold Accounting Officers of County Government entities to accountable for the entity's financial management

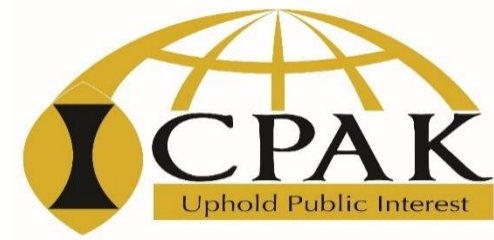
# Functions of CA's (Sec. 131)



- Considers the budget estimates at the committee level (BAC) & other committees for specific departments/sectors
- Shall consider the county government budget estimates with a view of approving them with, or without amendments, and in time;
- Estimates must have been considered by relevant CA committee
- CA may make amendments to budget estimates only if it's in accordance with resolutions adopted in the CFSP, and if:
  - ✓ An increase in expenditure is balanced with a decrease in another proposed appropriation
  - ✓ Any proposed reduction in expenditure is used to reduce the deficit



- Any amendments contemplated in Sec. 131 done by the CA shall not exceed 1% of the Vote's ceiling
- The approved expenditure of a CA shall **not exceed 7%** of the total revenues of the county government or **twice the personnel emoluments** of that CA



# Lessons Learned from Pioneer CA's

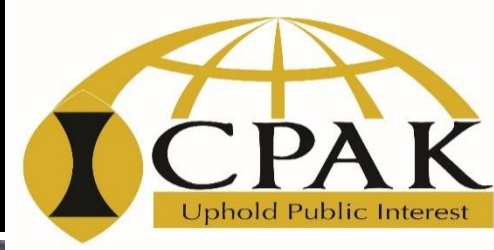
**LETS DISCUSS THIS!!!**

- Despite the teething challenges.....i honestly think devolution still has a fair chance to succeed
- At least the electorate have learned who not to elect in this critical office – **a CASE IN POINT IS MAKUENI COUNTY!!**
- “.....Even though common sense is not common to everyone.....if meaningful progress has to be made.....COMMON SENSE MUST PREVAIL for devolution to succeed!!! **A good CASE IS EMBU COUNTY!!**

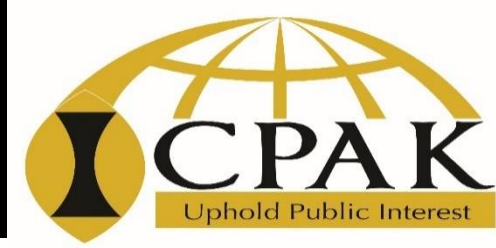
# And what do you think of this?



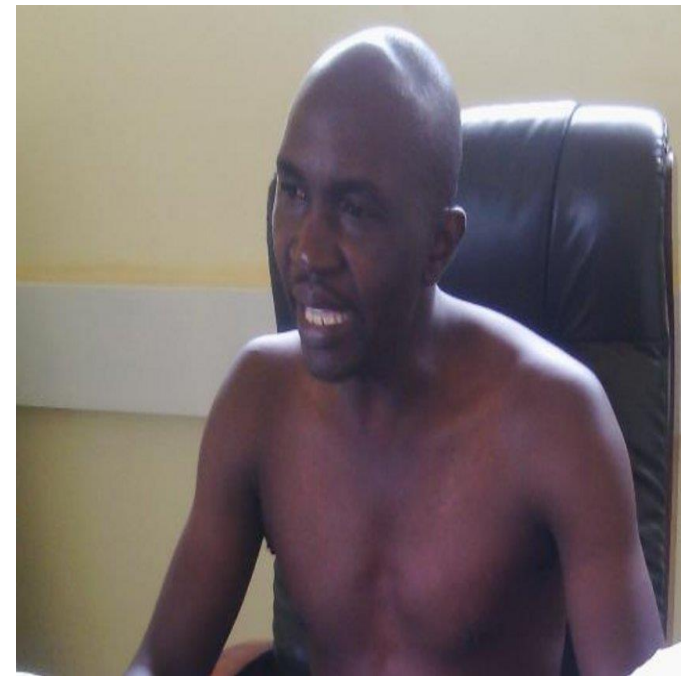
# The Bad



# The Bad cont...



- How not to benchmark!!!!
- The ignorance on the doctrine of separation of powers\*\*
- The pitfalls of politics to us as professionals
- Absence of decorum in public office (violation of chapter 6 of the constitution)
- Abuse of power & privileges entrusted on the legislature
- Gross violation of the principle of separation of powers between **the 2 arms of government** at the county level \*\*





And Finally.....

