



**DISCUSSION PAPER**

ON

**CITIZEN PARTICIPATION IN PUBLIC FINANCE MANAGEMENT IN KENYA**

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**@ICPAK 2018**

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## ABSTRACT

Public finance is important to the relations between citizens and the Government. The World Bank states that, participation is a process in which stakeholders influence and share over development initiatives and the decisions on the resources which affects them. Worldwide, an increasing number of Governments and international organizations are putting in place mechanisms to promote public disclosure of budget and other financial information. In this case, fiscal transparency is seen as an important precondition for effective governance, improved economic performance and prudent fiscal policy. In addition to generating economic benefits, fiscal transparency also functions as a political expression of democratic governance by giving citizens and taxpayers the information they are entitled to, for purposes of holding Governments accountable (IBP 2011).

In Kenya, the Constitution of Kenya (2010) and the Public Finance Management Act 2012 provide avenues through which citizens can effectively influence policies on public finance.

Nonetheless, there has been low public participation in Public finance management in the past leading to inefficiencies and misallocation of resources. This situation is even worse when it comes to budget monitoring. This is occasioned sometimes by the complex nature of budget implementation reports and audit reports as developed by the Controller of Budget and Auditor General respectively.

The Institute of Certified Public Accountants of Kenya (ICPAK) has in the recent past strived to support citizen engagement by developing several documents including “*A Guide to Understanding National and County Audit Reports*”<sup>1</sup>.

This paper examines public participation in public finance management in Kenya as enshrined in the Constitution. The paper outlines important opportunities for citizens to capitalize on to effectively participate in public finance management and particularly budget monitoring in Kenya. The Paper provides proposals and recommendations for enhancing budget monitoring and governance in Kenya.

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<sup>1</sup> A Guide to Understanding National and County Audit Reports (2016), ICPAK and Parliamentary Initiatives Network(PIN)

## 1.0 INTRODUCTION

Decision making around government revenues and expenditures has historically been shrouded in mystery and secrecy. In most cases, this area has been a preserve of the Treasury, Central Bank officials, the tax authority, and few selected technocrats. Parliament's interface with public finances was by and large restricted. However, in recent years, interest and action with regard to public participation and accountability in fiscal decision making has increased. This surge in public participation globally can be attributed to six core factors<sup>2</sup>.

First, the proliferation of good governance norms and standards that emphasize greater transparency, participation and accountability in all government matters. Secondly, the world has witnessed numerous transitions from closed, autocratic political regimes to ones characterized by political contestation, separation of powers and party competition among other factors. Thirdly, the introduction of modern public finance management systems and good practices around the world has reinvigorated the clamor and desire for public participation. In addition, greater *decentralization and devolution of power* to raise, allocate and spend public resources immensely contributed to fiscal transparency. Other factors include the growth in number and operational capacity of independent civil society organizations; and the dramatic growth, spread and use of information and communication technologies around the world.

Public participation and accountability in public finance in Kenya can be traced back to Kenya's decentralization initiatives. These include the District Focus for Rural development in 1980s to the advent of decentralized funds in Kenya in the late 1990s up to date. The CDF Act 2003 provided for participation of communities through project identification at the local and constituency levels. The Act<sup>3</sup> has since been amended and renamed the National Government Constituency Development Fund Act to align to the Constitution.

Equally, the Local Authority Service Delivery Action Plan (LASDAP) was introduced in 2000 in order to facilitate citizen participation in identifying their priorities and needs. Most studies contend that the LASDAP process was perhaps the most comprehensive tool encompassing citizen participation in planning, selection, implementation and oversight of projects in local authorities. These were supposed to be incorporated in the Local Authorities' planning processes. On contrary, LASDAP did not achieve much due to elite capture and political interference which eventually led to citizen apathy.

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<sup>2</sup> See [http://www.brookings.edu/~media/press/books/2012/openbudgets/openbudgets\\_chapter.pdf](http://www.brookings.edu/~media/press/books/2012/openbudgets/openbudgets_chapter.pdf)

<sup>3</sup> Constituencies Development Act, 2013

Currently, the Kenya public finance framework and service delivery processes have been radically altered by the Constitution of Kenya (2010). The country has undergone a transition from a centralized government to the devolved system of government with the establishment of the National government and County governments as distinct governance entities<sup>4</sup>. The Public Finance Management Act 2012 and the County Government Act 2012 provide elaborate opportunities for citizen participation in governance matters.

## 1.1 STATEMENT OF THE PROBLEM

The Constitution and the PFM Act represent a distinctive opportunity to enhance the role of citizens in public financial management processes in Kenya. Chapter twelve on Public finance (Article 201) introduces principles of public finance among them openness and accountability including public participation in financial matters. These principles if strictly adhered to can alter policy formulation and management of public resources for the improved livelihoods of many Kenyans.

Similarly, public participation in planning, budgeting and oversight at both the national and county levels of government is guaranteed by the Constitution and the PFM Act. Sections 35(1) and 125 of PFM Act elaborately outline the stages in the budget process at the national and county government levels respectively in any financial year. Moreover, the County Government Act provides extensive citizen participation mechanisms that include but not limited to the right of citizens to petition, duty by officials to respond to citizen's challenges, modalities and platforms for citizen participation and matters that can be subject to local referenda.

Despite these avenues, studies have shown that citizens have not effectively participated in fiscal decision making due to a number of reasons<sup>5</sup>. First, public finance is perceived to be technical and complex. It's only the technocrats and treasury mandarins that can influence public finance decisions. Secondly, low capacity, and awareness on their rights implies that citizen spaces are vulnerable to capture by the elite and other groups with varied interests thus crowding-out the "genuine" public from participating. Thirdly, public participation has in some cases been viewed as a routine exercise by officials to fulfil constitutional obligations rather than use it as an avenue for getting input and feedback on service delivery.

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<sup>4</sup> Article 6(2) states that governments at the national and county levels are distinct and inter-dependent and shall conduct their mutual relations on the basis of consultation and coordination.

<sup>5</sup> ICPAK Baseline Survey on Devolution (2014)

## 1.2 OBJECTIVES AND METHODOLOGY

This paper examines public participation in budget monitoring and public finance management in Kenya as enshrined in the new constitution dispensation. Through this document, ICPAK aims at promoting greater public participation in public finance decisions and policies, enhanced accountability and transparency in the management of public resources. Specific objectives for this paper include:

- (i) Examine the constitutional and legislative public participation opportunities in Kenya;
- (ii) Explore mechanisms through which the public can effectively participate in financial matters; and
- (iii) Examine mechanisms through which citizens can engage in budget monitoring processes in Kenya;
- (iv) Provide recommendations for effective public participation in fiscal decision making processes.

In developing the document, the Institute drew a lot from desks top review of the Constitution of Kenya, County Government Act, 2012, Public Finance Management Act, 2012, Public Finance Management Regulations and studies on devolution and public participation among other documents. The Institute also gathered information through informal discussions with the institute members.

## 2.0 CITIZEN PARTICIPATION IN PUBLIC FINANCE

### 2.1 KENYA'S PUBLIC FINANCE MANAGEMENT FRAMEWORK

The Constitution of Kenya 2010 introduced changes in the public finance management framework in Kenya. Chapter twelve of the Constitution begins with Article 201 on the principles of public finance as follows:

- (a) Openness and accountability including *public participation in financial matters*;
- (b) Public finance system shall promote an equitable society;
- (c) Burdens and benefits of the use of resources and public borrowing shall be shared equitably between present and future generations;
- (d) Public money shall be used in prudent and responsible way; and
- (e) Financial management shall be responsible and fiscal reporting shall be clear.

The Constitution further creates new institutions with varying powers and responsibilities over the public finances management, at the national and county levels. Public Finance Institutions include:

TABLE 1: NEW PFM INSTITUTIONS

No.	Institution	Constitutional provision	Mandate
1.	Commission on Revenue Allocation (CRA),	Article 215	Make recommendations on the criteria for equitable sharing of national revenue and other matters relating to financial management by county governments
2.	Controller of Budget	Article 228	Oversee the implementation of the national and county budgets by authorizing withdrawals from public funds
3.	Auditor-General	Article 229	Audit the accounts of all entities funded from public funds, including national and county governments
4.	Salaries and Remuneration Commission	Article 230	Regularly review and set remuneration and benefits of all State officers and public officers within the national and county governments

In addition, the Constitution splits the national budget approval process into two phases. Phase one entails the division of revenue. Every year, at least two months prior to the commencement

of the financial year, two bills – *Division of Revenue Bill*, containing proposals on the division of revenue between county and national government; and *County Allocation of Revenue Bill*, which sets out proposals on how revenues<sup>6</sup> allocated to county governments will be shared among the counties – shall be presented to Parliament for approval.

Phase two of the budget approval process commences after the division and allocation of national Revenues, and involves consideration and approval of estimates of revenue and expenditure of the national government by the National Assembly. Unlike in the past, where revenue and expenditure estimates were prepared and approved simultaneously, under the Constitution of Kenya(2010) , the revenue estimates will be prepared and approved before the expenditures.

Equally, the Constitution splits the Controller and Auditor General office by establishing two separate independent offices. The Controller of Budget will exercise control over expenditure of the national and county governments. The Office is also required to prepare, publish and publicize statutory reports, conduct investigations and conduct alternative dispute resolution mechanisms to resolve disputes.

The Constitution further gives parliament budgetary oversight powers. For instance, the Senate (Art. 217) is mandated to determine the basis for allocating among the counties the share of national revenue that is annually allocated to the County level of government. The Division of Revenue Bill and County Allocation of Revenue Bill shall also be introduced in Parliament at least two months before the end of each financial year (Art.218).

The National Assembly also considers the estimates of revenue and expenditure of the national government (Executive) together with estimates submitted by the Parliamentary Service Commission (Legislature) and the Chief Registrar of the Judiciary<sup>7</sup>. We have witnessed rigorous debates and inputs on the vertical division revenue in both the Senate and the National Assembly. The National Assembly Budget and Appropriations Committee has been regarded as the most powerful committee in the legislature given its immense role in budget scrutiny and approval. Similarly, at the County level, there is separation of powers between the County executive, led by the Governor, and the County Assembly. Again, County Assemblies in most parts of the country have flexed their muscles by refusing to approve county budgets due to various reasons.

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<sup>6</sup>Article 218

<sup>7</sup> See also Articles 127 and 173



The County budget process is a mirror to the national level. The respective county executives are charged with the responsibility for preparing the various documents that comprise the county budget but the County Assembly will control the passage of the budget laws. This requirement for legislative approval of financial measures is a democratic foundation stone that is enshrined in constitutions and democracies around the world.

The Constitution provides a mechanism for equitable share of revenue raised nationally, as well as intergovernmental transfers <sup>8</sup>(Articles 202 and 203). The revenue raised nationally shall be shared equitably among the two levels of government (vertical share) and among forty seven county governments (horizontal share) to enable them provide services and perform functions assigned to them under the Fourth Schedule of the Constitution. Article 203(2) of the Constitution provides that a minimum of fifteen per cent of revenue raised nationally shall be transferred unconditionally to the forty seven counties. This amount shall be calculated on the basis of the most audited accounts of the revenue received, as approved by the national Assembly.

Other than the equitable share, County Governments will have the following resources at their disposal: Conditional and unconditional grants<sup>9</sup>; own revenues through the imposition of property taxes, entertainment taxes and other user fees and charges; and borrowing.<sup>10</sup>

The Constitution also establishes the Equalization fund to provide basic services including water, roads, health facilities and electricity to marginal areas in order to bring these services in the marginal areas to national standards<sup>11</sup>.

The new PFM framework further provides extensive public participation avenues in financial matters. This is one of the key principles of public finance as enshrined in Article 201. Participation is also mandatory in the budget making processes both at the national and county levels. Citizen participation helps in priority setting and providing feedback on government funded projects. This element will be important in helping achieve our devolution objectives

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<sup>8</sup> Article 203(2) For every financial year, the equitable share of revenue raised nationally that is allocated to county governments shall be not less than fifteen per cent of all revenues collected by the national government.

<sup>9</sup> Article 202(2);

<sup>10</sup> Article 209;

<sup>11</sup> Article 204

## 2.2 OPPORTUNITIES FOR PUBLIC PARTICIPATION IN PUBLIC FINANCE MANAGEMENT

The value of fiscal transparency in national and county budget process is to engage and mobilize the public by showing how budget numbers relate to issues that affect people's daily lives. In the literature, one of the most cited definitions for fiscal transparency is the one offered by Kopits & Craig (1998):

*“Openness toward the public at large about government structure and functions, fiscal policy intentions, public sector accounts, and projections. It involves ready access to reliable, comprehensive, timely, understandable, and internationally comparable information on government activities so that the electorate and financial markets can accurately assess the government's financial position and the true cost and benefits of government activities, including their present and future economic and social implications”.*

To understand public participation in public finance, we need to interrogate the following questions: Who participates? What are they participating in? What are the forms of participation? Who must ensure that they participate?

Public participation is important in promoting transparency and accountability in financial matters. Fiscal transparency can positively impact the economy in a numerous ways as indicated below:

*Transparency can help attract cheaper credit*

Research by IBP indicate that countries with higher levels of fiscal transparency have higher credit ratings and lower spreads between borrowing and lending rates, thus reducing governments borrowing costs.

*Opacity in fiscal matters can undermine fiscal discipline*

A study by the International Monetary Fund (IMF) finds that an important predictor of a country's fiscal credibility and performance is the level of transparency in its public finance systems and practices.

Equally, transparency and public participation can help shine the light on leakages and improve efficiency in public expenditures. In addition, fiscal transparency and participation can foster equity by matching national resources with national priorities.

According to International Budget Partnership, (IBP)<sup>12</sup>, Public participation in the public finance management in based on the following basic principles:

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<sup>12</sup> See Open Budget Survey 2012

- (i) Participation should occur throughout the public finance management process;
- (ii) Participation should occur with all parts of the government from the legislatures, implementers to oversight institutions;
- (iii) Participation should have a legal basis. The government should be obligated under law to engage the public in the budget decision making and should not discriminate against any individual or groups.
- (iv) The purpose for public engagement should be publicized in advance. The government should clearly specify the scope of the consultation.
- (v) Multiple mechanisms for public engagement should be implemented. The government should use appropriate forums at different points of time to obtain public inputs.
- (vi) The Public should be provided with feedback on their inputs. The government should publish reports of the inputs received from its public consultations and explain how these inputs have been used in budget decisions, execution and oversight.

In most economies, the budget provides a tangible focal point for discussion of community priorities and government effectiveness.

### **3.0 SUMMARY BUDGET PROCESS IN KENYA**

In Kenya, Section 35(1) and 125 of the Public Financial Management Act (2012) outlines the stages in the budget process at the national and county government levels respectively in any financial year. The stages are as follows:

#### **3.1 ISSUANCE OF BUDGET CIRCULAR**

The National Treasury releases a circular to all government agencies starting the process, and setting out guidelines for public participation. The County Executive Member for finance must also release a circular by this date doing the same at county level. The budget circular provides guidelines and key policy directions to the budget process. This is supposed to be done by August 30.

#### **3.2 PRIORITY SETTING**

Public participation in identifying and setting priorities is crucial in the budget making processes. This not only fosters participatory development but also ensures ownership of government initiated projects. In Kenya, citizens can participate at both the national and county planning processes. At the County level, the integrated development planning process offers such an opportunity. Counties must prepare and table a county development plan in the County Assembly. The integrated development planning process must include both long term and medium-term planning. The County Government Act 2012 provides that the development of this document should be done through a consultative manner by incorporating the views and input from most of the stakeholders, including citizens in the county. The deadline for this is September 1.

##### **3.2.1 THE COUNTY BUDGET AND ECONOMIC FORUM**

The PFM Act establishes the County Budget and Economic Forum to provide a means for consultation by the county government on preparation of county plans, the County Fiscal Strategy Paper and the Budget Review and Outlook Paper for the County. This Forum also discusses matters related to budgeting, the economy and financial management at the county level. The membership of this important consultative body is drawn from organizations representing professionals, business, labour issues, women, persons with disabilities, the elderly and faith based groups at the county level. The public should thus lobby for inclusion or actively engage this body to influence County public finance matters.

##### **3.2.2 PUBLIC HEARINGS**

Public hearings on the budget present an important opportunity for the public to participate. This exercise commences from September 1 to February 15 of every financial year. The National

Treasury, various ministries and agencies should undertake consultation with the public and other stakeholders to solicit proposals on the budget. Views from the public should feed into the formulation of the Budget Policy Statement.

### 3.2.3 CRA RECOMMENDATIONS ON REVENUE SHARING

By January 1 of every year, the Commission on Revenue Allocation should submit its recommendations for the division of revenue between national and county governments (Vertical), and among the counties (Horizontal), to parliament. After CRA recommendations are received, Treasury begins work on the fiscal framework (economic forecast, aggregate revenues, borrowing and spending ceilings). The public can make recommendations on the content of this report.

### 3.2.4 SUBMISSION OF THE BUDGET POLICY STATEMENT AND THE COUNTY FISCAL STRATEGY PAPER

The Cabinet Secretary for Finance submits the Budget Policy Statement to Parliament by February 15. This is also the deadline for the debt management strategy paper, and the Division of Revenue and County Allocation of Revenue Bills to go to Parliament. The County Fiscal Strategy Paper fulfils the same function as the BPS in setting the fiscal aggregates within which the county budgets would be framed. Treasury must give CRA an opportunity to comment on the Budget Policy Statement. Equally CRA is also required to respond to the 47 County Fiscal Strategy Papers. The Budget Policy Statement should be approved by February 28 which is also the deadline for the County Fiscal Strategy Paper to be tabled in each County Assembly. March 1 is the deadline for BPS to be made available to the public.

### 3.2.5 DIVISION OF REVENUE AND COUNTY ALLOCATION OF REVENUE BILLS

These two Bills are important to the financing of the devolved system of government. Article 218 of the constitution states that, at least two months before the end of each financial year, there shall be introduced in Parliament—

- (a) Division of Revenue Bill, which shall divide revenue raised by the national government among the national and county levels of government ;and
- (b) County Allocation of Revenue Bill, which shall divide revenue among the counties.

Citizens have an opportunity to give proposals to relevant the Senate and National Assembly Committees on the contents and amounts allocated between national and county governments; and among county governments.

### 3.2.6 BUDGET ESTIMATES TO PARLIAMENT AND COUNTY ASSEMBLIES

The Constitution states (Article 221) that the Cabinet Secretary responsible for finance shall submit to the National Assembly estimates of the revenue and expenditure of the national government for the next financial year at least two months before the end of the financial year. It

is also the deadline for the Judiciary and the Parliamentary Services Commission to submit their budgets to Parliament. This is also the date for the county budget proposal to be submitted to the County Assembly. The County Executive member for Finance presents comments on County Assembly budget.

### **3.2.7 PUBLIC HEARING ON THE BUDGET ESTIMATES**

After the estimates have been submitted to parliament, the budget and appropriations Committee will begin to hold public hearings on the budget. The Committee tables the resulting recommendations on the budget in parliament. This process is also replicated at the County level where the relevant County Assembly Committee in charge of budget must hold public hearing on the County budget estimates. This process is done between May and June.

### **3.2.8 FINANCE AND APPROPRIATION BILLS**

The national Finance Bill to authorize tax and revenue collection is tabled in Parliament immediately after parliamentary debate on the budget estimates. A county Finance Bill is also tabled at this time in the County Assembly. June 30 marks the end of the financial year and the deadline for the appropriations bill to be passed by parliament to authorize spending for the new budget year. At the same time county assemblies should pass the county appropriation bill. Section 127 of PFM Act stipulates that not later than 15<sup>th</sup> June of each financial year, every county government shall prepare an annual cash flow projection for the county for the next financial year, and submit the cash flow projection to the Controller of Budget with copies to the intergovernmental budget and economic council and the national treasury.

### **3.2.9 PASSING OF THE FINANCE BILL**

As per section 41 of the PFM Act, not later than ninety days after passing the Appropriation bill, the national assembly shall consider and approve the finance bill with or without amendments. Similarly section 133 of the Act requires that not later than ninety days after passing the appropriation bill, the county assembly shall consider and approve the finance bill with or without amendments.

## **3.3 BUDGET EXECUTION, AUDITING AND MONITORING**

Upon debate and approval of the Finance Bill into a finance Act, the entire budget is effectively authorized by Parliament (for National Government) and county assemblies (for county governments).

The Auditor-General should within six months after the end of each financial year, audit and report, in respect of that financial year, on the accounts of the national and county governments and their respective agencies that are funded from the Consolidated Fund. The Office of the

Auditor General is also mandated to examine accounts of political parties funded from public funds and the public debt.

The Office of the Controller of Budget develops quarterly budget implementation reports and shares with the legislature and executive and both levels of government for discussion. These budget implementation reports provide important information on the implementation of the budget by National and County Governments. In addition, the quarterly reports highlight challenges faced in budget implementation and makes appropriate recommendations to address the challenges.

### 3.3.1 SOCIAL IMPACT ASSESSMENTS

Citizens can also participate in public finance management through various forms of social accountability, such as social audits, Public expenditure tracking surveys and citizen report cards among others to monitor the social impact of public spending. Its only through such active participation that governments will be compelled to put in place systems to monitor budget implementation on a real time basis.

In addition, a social impact assessment helps in ensuring optimal resource allocation in any economy. Currently, the Public Finance Management Act 2012 puts a cap on the spread of recurrent and development expenditure both at the National and County Government levels. The Act<sup>13</sup> provides that over the medium term a minimum of thirty percent (30%) of the National and County Government's budget must be allocated to the development expenditure.

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<sup>13</sup> Section 15(2a) Public Finance Management Act, 2012

## 4.0 INTERNATIONAL TRENDS AND BEST PRACTICES

### 4.1 NEW ZEALAND

New Zealand's public sector reforms have been hailed as model throughout the world. The year 2004 marked a first major change to New Zealand's public financial management system when the government passed the Public Finance (State Sector Management) Bill. The Bill resulted in significant amendment to the Public Finance Act, 1989, with the purpose of improving performance, accountability and integration across the New Zealand's public sector.

Like here in Kenya, New Zealand's Parliament is the supreme law making authority. It's able to scrutinize and control the government through the regular process of granting financial authority to the government.

New Zealand's Public Finance Act is founded on two key principles, that is, increased transparency and greater accountability. The Act requires governments to be explicit in their long-term fiscal intentions and to assess them against principles of responsible fiscal management. In 2005, the New Zealand treasury published a Guide to the Public Finance Act that provides a detailed explanation of how the Act's provisions promote fiscal transparency. The Guide specifies how the budget policy statements enhance fiscal transparency.

In addition to enhancing the transparency and credibility of fiscal forecasts, the act requires at a minimum, disclosure of the underlying forecasts of New Zealand's GDP, consumer prices, employment and current account of the balance of payments.

### 4.2 SOUTH AFRICA

The country operates a three-tier unitary system of government, at national, provincial and municipality levels. The management of finances in national and provincial government is regulated by the South Africa Public Finance and Management Act (1999). This law sets out the procedures for efficient and effective management of all revenue, expenditure, assets and liabilities. The Act further establishes the duties and responsibilities of government officials in charge of finances; and aims to secure transparency, accountability and sound financial management in government and public institutions.

The Act, which came into effect from 1 April 2000, gives effect to sections 213 and 215 to 219 of The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) for the national



and provincial spheres of government. These sections require national legislation to establish a national treasury, to introduce uniform treasury norms and standards, to prescribe measures to ensure transparency and expenditure control in all spheres of government, and to set the operational procedures for borrowing, guarantees, procurement and oversight over the various national and provincial revenue funds.

Prior to 1994 the participation of citizens, civil society and the private sector in the parliamentary budget debates was restricted to a small number of private sector interests who regularly made submissions to Parliamentary committee hearings. Nevertheless, with the reforms in the public finance management system, the number and frequency of submissions increased significantly.

Similarly, access to public budget information was restricted to aggregate data on the size of the budget and inter-departmental allocations. Since 2000, South Africa has had improvements in the availability, timeliness, scope and usefulness of the information provided. The Public Finance Management Act (PFMA) provides detailed specifications for the tabling of information in national and provincial legislatures. This in turn provides regular reporting on budget implementation, borrowing and timely audit reports.

#### 4.3 SOUTH KOREA

The Ministry of Finance established a wide range of measures to gather public information before developing its budget. These measures include field trips taken by officials across the country to learn about realities on the ground. The Ministry also organizes public hearings on its proposed budget measures.

The widespread coverage of internet services across the country and the use of social media has enabled the government to obtain views from citizens and for citizens to voice opinion on the proposed budget measures.

## 5.0 RECOMMENDATIONS

Public participation in public financial management is thought of a civic duty as an effort to contribute to the management of public resources. The public can participate through written submissions and petitions to Parliament and County Assemblies. Public participation serves to guarantee public ownership of government expenditure programmes. It is critical that citizens are empowered to participate in budget monitoring. The Institute proposes the following measures to facilitate meaningful engagement in the budget monitoring process:

**a) Citizen capacity and awareness**

There is need for awareness creation and capacity building of citizens on their rights; and the available opportunities for participation in public financial management. More importantly, citizens should be sensitized on the importance of Controller of Budget's Quarterly Budget Implementation Reports and the Auditor General's reports. Professional associations can form a good platform for capacity building citizens

**b) Simplification of Controller of Budget and Auditor General Reports**

Equally, considerable efforts should be made in developing abridged versions of the Controller of Budget and Auditor General's reports for public consumption. The Institute in partnership with Parliamentary Initiatives Network (PIN) developed a guide on how to read and interpret audit reports. Subsequently, there's need for drafting of popular versions of these reports and dissemination to the public.

**c) Outreach programs and vibrant regional offices**

The Auditor General and Controller of Budget offices should establish robust community outreach programmes. This will help bring interaction between these offices and the citizens closer hence help in demystifying budget monitoring reports. This can further be achieved by strengthening regional or county offices of these bodies to not only focus on drafting reports but also develop citizen oriented programmes.

**d) Provide simplified digital platform for budget monitoring**

The Government should consider taking advantage of technology to roll-out citizen-friendly digital platforms for purposes of budget monitoring. According to the Economic Survey 2017, the penetration rate for mobile subscriptions stood at 85.9 per cent in 2016 from 85.4 per cent in 2015. The number of Internet Service Providers (ISPs) increased from 221 in 2015 to 242 in 2016 while estimated internet users increased by 11.0 per cent to 39.4 million in the review period.

As such, development of a digital platform interlinked to IFMIS can help to inform the public in real time on public expenditure.

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