The Institute of Certified Public Accountants of Kenya

POLICY BRIEF

ON

BUSINESS RESOURCING, ACCOUNTABILITY AND OVERSIGHT

CONTENTS

1.0 INTRODUCTION

World over, it is increasingly being recognized that legislatures, both national and sub-national, have a critical role to play to strengthen economic governance, improve transparency in public finances and ensure government accountability. According to the OECD, enhancing legislative scrutiny of the budget and oversight of its execution is increasingly considered to strengthen government accountability and curb corruption.

Enhancing legislative scrutiny of the budget and oversight of its execution is increasingly considered as a means to strengthen government accountability and curb corruption. Moreover, the OECD Journal on Budgeting dated 2004, indicated that legislative institutions perform critical accountability functions in public budgeting. They help enforce ***ex ante* accountability**, ensuring that budget allocations adequately reflect policy priorities; **concurrent** accountability, overseeing the execution of the budget by the executive; and ***ex post* accountability**, holding government to account for performance and results.

In Kenya parliament is mandated with ensuring that optimal standards of political and administrative accountability are achieved in all spheres of the society. Parliamentary oversight, as prescribed by the Constitution of Kenya (2010), is directed at 'scrutinizing and overseeing' executive and administrative action. It provides insights into the mechanisms of accountability in general and oversight in particular. Parliament's Strategic Plan 2019-2030 outlines the vision of Kenya's Parliament to be "To *facilitate members of Parliament to effectively and efficiently discharge their constitutional mandate of representation, legislation and oversight*."

However, it's worth noting that the Coronavirus pandemic now poses serious challenges for legislatures in many jurisdictions around the world. First, the Coronavirus, and the measures taken to contain its spread, make it difficult for parliaments to operate. In Kenya, Standing Orders have been revised to allow for social distancing and in some instance's virtual sessions. This brings an operational impediment given that legislatures by their very nature are large multi-member bodies that require assembling a large group of people together to deliberate and vote.

In addition, parliaments tend to be quite customary, and therefore do not tend to be quick in adopting digital and technological alternatives to the traditional physical presence. Luckily for Kenya, the institution of Parliament has been quick to adopt the "new normal" with virtual engagements. Of utmost importance, is the role of finances and resourcing to smooth operations of Parliament. The spread of COVID-19 has meant that available resources both domestic and external have been spread thin to deal with containment measures and post-COVID19 recovery strategies. All these call for re-orientation of parliament to adopt a new model of operation.

It's against the foregoing that the Institute of Certified Public Accountants of Kenya (ICPAK) had developed this paper, entitled, "Business Resourcing, Accountability and Oversight during and after COVID19". The main aim of this paper is to sensitize the house leadership on disruptive effects of COVID19 pandemic and explore ways of resourcing the Parliamentary fraternity during and Post- the pandemic.

2.0 BUSINESS RESOURCING

The COVID-19 pandemic has created unique challenges for different sectors of the economy. Regarding Parliament, the pandemic has affected business operations of the House and continuity of parliamentary functions. Since the outbreak of the pandemic, Kenya's economic growth has been negatively impacted by the Covid-19 shocks with both direct and indirect consequences especially to the poor, vulnerable and marginalized households who rely on informal employment and businesses.

With the continued spread and no intervention measures to combat the health pandemic, it is estimated that there will be a 2.6% to 2.8% reduction in economic growth in 2020 (GDP likely to average 2.8 to 3.2%).

2.1 Sectoral Analysis of the Effects of COVID-19

Analysis of different sectors shows far-reaching effects of the pandemic to households and the economy at large. This paper provides a synopsis of the effect to

2.1.1 Tax Revenue

COVID 19 is likely to hit the realization of revenue targets set. A joint analysis by ICPAK and International Budget Partnerships (IBP) noted that that revenue forecasts at both national and county level have been ambitious and often led to budget deficits over the years. The common tendency has, therefore, been to make overly optimistic revenue projections leading to increased uncertainty of resource flows. This is illustrated in both *Table1* and *Table 2* below:

TABLE 1: ***REVENUE PROJECTIONS VS ACTUAL COLLECTIONS 2012-2019***

Year	Pay As You Earn (PAYE)	Other Income Tax	VAT	Excise Duty	Import Duty	Other	Total Exchequer Revenue	Ordinary revenue Estimates (Ksh millions)	GDP*
	Kshs Million	Kshs Million	Kshs Million	Kshs Million	Kshs Million	Kshs Million	Kshs Million		Kshs Million
2012/13	211,061	182,981	183,219	88,030	57,897	36,323	759,511		4,536,001
2013/14	252,974	200,710	233,558	104,698	66,596	60,446	918,982	**1,006,404**	5,079,670
2014/15	277,068	229,066	264,872	114,952	73,733	62,283	1,021,974	**1,070,515**	5,849,132
2015/16	312,032	248,988	290,843	142,591	80,966	61,412	1,136,833	**1,184,368**	6,734,060
2016/17	336,596	291,452	336,572	163,236	86,861	58,343	1,273,060	**1,380,199**	7,794,026
2017/18	364,104	278,277	356,777	168,062	93,713	79,314	1,340,248	**1,560,276**	8,468,218

Year	Pay As You Earn (PAYE)	Other Income Tax	VAT	Excise Duty	Import Duty	Other	Total Exchequer Revenue	Ordinary revenue Estimates (Ksh millions)	GDP*
2018/19	392,693	296,042	409,526	195,731	105,209	75,472	1,474,673	**1,688,492**	10,030,206
2019/20							1,510, 000	1,776,637	
2020/21								**1,883,694**	

Source: Kenya Revenue Authority Annual report FY 2018/19, 2019/2020 & the National Treasury – BPS

KRA recorded a total collection of Kshs. 1.607 Trillion compared to Kshs. 1.580 Trillion collected in FY 2018/19 in spite of the difficult operating economic environment brought about by COVID-19 pandemic with the exchequer revenue collected amounting to Kshs. 1.510 Trillion compared to Kshs. 1.477 Trillion collected in FY 2018/19. This translates to a performance rate of 98.6% against target

GAZETTE NOTICE NO. 4939

THE NATIONAL TREASURY AND PLANNING

STATEMENT OF ACTUAL REVENUES AND NET EXCHEQUER ISSUES AS AT 30TH JUNE, 2020

Receipts	*Original Estimates (KSh.)*	*Revised Estimates (KSh.)*	*Actual Receipts (KSh.)*
Opening Balance		98,868,481,922.50	98,868,481,922.50
Tax Reveune	1,807,648,944,163.20	1,466,214,983,656.80	1,453,470,977,901.55
Non tax Reveune	69,527,553,028.15	149,163,145,393.39	121,724,572,990.84
External Loans and Grants	286,722,701,242.00	301,297,996,041.87	299,682,287,337.55
Domestic Borrowing	429,394,684,939.83	664,449,770,735.12	558,870,163,999.75
Other Domestic financing	4,323,208,687.82	54,323,226,765.32	45,340,376,827.30
Total Revenue and Financing	**2,597,617,092,061.00**	**2,734,317,604,515.00**	**2,577,956,860,979.49**

An analysis of total revenue collection including Appropriation in Aid (A.i.A) shows shortfalls in each financial year since 2015. See table below

TABLE 2: PERFORMANCE OF TOTAL REVENUE INCLUDING A-I-A

Year	**Dec 2015**	**Sept 2016**	**Nov 2017**	**Nov 2018**	**Dec 2019**	**June 2020**
Target revenue	Ksh 642.9 billion	Ksh 328.0 billion	Ksh 611.0 billion	Ksh 677.0	Ksh 1,059.3 billion	Ksh 1,532 billion
Actual	Ksh 575.2 billion	Ksh 313.6 billion	Ksh 558.4 billion	Ksh 633.7 billion	Ksh 920.6 billion	Ksh 1,510 billion
Shortfall	Ksh 67.7 billion.	Ksh 14.4 billion.	Ksh 29.7 billion	Ksh 43.3 billion	Ksh 138.7 billion	Ksh 22 billion

Source: National Treasury- Budget Policy Statements 2016-2020

This situation is mirrored at the County Government level where Counties collection of own revenue has been uncertain. Available data shows that only 13 out of 47 counties can meet more than 10 per cent of their annual budget from their own sources of revenue. This situation will worsen with COVID 19 adverse effect to households and businesses.

Equally, the Government of Kenya announced tax related revenue-cutting measures that were meant to shield citizens from the negative effects of covid-19. This impacted negatively in achieving tax revenue collection target of the 1.86 trillion in 2020/2021 fiscal year leading to a widening budget deficit. According to the Parliamentary Budget Office (PBO), the economy is likely to lose approximately Kshs. 122 Billion due to tax measures introduced through the Tax Laws Amendment Act 2020 that aimed at cushioning households and the economy. This are highlighted as follows:

- Provision of 100% personal income tax relief for persons earning Sh. 24,000 per month: The government will forfeit about Sh. 19.84 billion in tax revenue
- Pay-As-You-Earn (PAYE) top band reduced from 30% to 25%: This is likely to occasion a revenue loss of Sh.7.08 billion.
- Reduction of Corporation Income Tax (CIT) from 30% to 25% -This incentive will lead to a further reduction in revenue by about Sh. 45.69 billion.
- Turnover Tax (ToT) reduced from the current 3% to 1% for all MSMEs: This incentive implies that about Sh. 50 million of tax revenue will be lost:
- Value Added Tax reduced from 16% to 14% : it is estimated that factoring reduction of VAT on account of reduced demand as well as reduced tax rate, about Sh. 49.598 billion may be lost in tax revenue.

TABLE 3: CONTRIBUTION OF TAX REVENUE TO GOVERNMENTS FINANCES

	2014/15	2015/16	2016/17	2017/18*	2018/19*
Revenue	**1,396,517.75**	**1,512,828.19**	**1,661,784.65**	**1,804,761.93**	**2,042,968.98**
Tax revenue	1,021,597.03	1,147,236.09	1,286,814.89	1,350,988.58	1,557,817.34
Social contributions	24,327.98	41,551.71	45,704.32	55,354.32	15,558.25
Grants:					
International organisation	28,117.49	29,596.68	25,903.99	27,600.14	47,483.00
Other revenue	322,475.25	294,443.71	303,361.46	370,818.89	422,110.39
Sale of Goods & Services	130,735.55	119,079.23	122,583.60	122,292.96	230,556.31
Property income	36,115.03	45,873.89	53,892.51	52,965.75	43,445.92
Ministerial AIA	56,705.93	62,398.11	75,881.13	139,056.53	99,379.85
Fines, Penalties & Forfeits	47,223.77	12,443.68	17,555.26	18,414.57	3,018.68
Other transfers NEC	51,694.96	54,648.79	33,448.97	38,089.08	45,709.63

Source: Economic Survey 2020

2.1.2 EMPLOYMENT

In order to curb the spread of the virus, the government introduced a number of measures including; banning of all passenger flights, temporary closure of restaurants and bars, dusk to dawn curfew, cessation of movement into and out of some high-risk counties among others.

Due to the measures by the government to curb the spread of Covid, many roles have become redundant, resulting in job losses or unpaid leave. This can be aptly summarized as follows:

- In 2019, the number of persons estimated to have been engaged in the informal sector went up by 5.4 per cent to 15.1 million. COVID-19 presents both supply and demand shocks to the informal sector.
- Data from World Bank shows that in 2019 Kenya had a labour-force participation rate of 75%; this rate fell to just 56.8% in April 2020.
- Kenya National Bureau of Statistics Survey conducted in June 2020 shows the proportion of respondents absent from work due to Covid-19 related issues was 61.9%. The other reasons cited were temporary business closure (15%) and temporary work slack for technical and economic reasons (10.7%).
- The specific COVID-19 related issues mentioned included the stay at home advisory (75.9%) and cessation of movement (21.4%).

From the numbers above, a quick deduction indicate that not less 9.35million Kenyans in the informal sector were significantly affected. Adding to the number in the formal sector, the numbers indicate dire unemployment situation in the country.

2.1.3 EDUCATION SECTOR

Education and health are critical sectors. The total value for these two sectors in Kenya exceeds Kshs 600 billion. On education, the ability to finance school related expenditure such as school kits, meals, learning materials has been severely compromised.

According to the Ministry of Education data, more than 90,000 schools closed leading to over 3.2 million pre-primary, 15 million primary and secondary school learners and over 150,000 refugees confined at home. Similarly, there are over 300,000 teachers at home who require support to help learners in their learning needs.

The Economic Survey 2020 observed that the leading activities that contributed to the increase in employment levels in the public sector were Education; Public administration and defense; and compulsory social security, which accounted for 42.7 per cent and 35.2 per cent, respectively. This shows the importance of the sector to employment and economic growth.

The prolonged closure of schools has a direct bearing on education and its value chain as follows:

a) On the social front, exposure to pornographic content, drug and substance abuse, increased rape, gender-based violence including defilement of children, children with disabilities face extra challenges of neglect and segregation leading to psycho-social issues such as depression. For instance, on gender-based violence, 24% of the respondents reported having witnessed domestic violence in their communities according to the KNBS Covid-19 Survey.
b) Within the education value chain, loss of jobs for non-teaching staff, BOM teachers and teachers in private schools also present a challenge. This increases high dependency ratio as those in employment must support wider communities who have lost jobs.
c) Families who depend on school meals, free sanitary pads by the government and partners also miss the provisions and find it hard to afford.
d) Suppliers of different goods and services alongside the education value chain including uniforms, books, food supplies and other accessories and their dependents have also suffered a great deal/

The huge expenditure and allocation to the Ministry of Education indicates its centrality to the economy:

TABLE 4: ALLOCATION TO MINISTRY OF EDUCATION 2015/16- 2019/20

Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Total Expenditure (Kshs in Billions	313,377.32	325,476.94	412,454.95	455,079.84	496,792.24	497.7*

*Source: Economic Survey 2020; * Budget Statement 2020/21*

2.1.4 International Trade

The following extracts, from the Economic Survey 2019, shows Kenya's international trade with selected countries for the past 5 years:

Table 5: Value of Imports by Origin in Kshs. Millions

Country	2014	2015	2016	2017	2018
China	248,648.3	320,815.5	337,450.1	390,622.3	370,826.4
Japan	86553.6	88239.2	82409.6	81662.8	99822.7
Singapore	14623.8	9612.3	6794.6	5829.2	10105.0
Germany	47, 408.6	47,380.8	43,353.4	42, 988.8	46,599.2
United Kingdom	47,037.4	47,290.0	33,487.1	30,050.2	31,555.4

Source: Economic Survey 2019

Table 6: Value of Exports in Kshs. Millions

Country	2014	2015	2016	2017	2018
Netherlands	40, 614	42,041	43,492.3	43,891.8	46,365.2
USA	38, 289.8	40,724	43,353.9	47,269.9	47,341.0
United Kingdom	35, 868	40,668	37,581.7	38552.7	40, 192.1
Germany	10,786.6	12, 507	11,864.5	11,740.9	11,160.4
China	6, 597.4	8,470.7	10,061	9997.5	11, 132.9

Source: Economic Survey 2019

Free movement of people, goods and services is one of the key success factors in international trade. This pandemic will therefore impact and disrupt on the Kenyan economy in many ways including a plunge in key sectors of the economy such as manufacturing, tourism and hospitality, horticulture and diaspora remittances.

2.1.5 TOURISM SECTOR

According to the World Travel and Tourism Council, tourism is one of the most important industries in Africa and contributed 8.5% (or $194.2bn) of the continent's Gross Domestic Product (GDP) in 2018[1]

According to Economic Survey 2020, tourism earnings grew by 3.9 per cent from KSh 157.4 billion in 2018 to KSh 163.6 billion in 2019. In the same period, hotel bed-night occupancy expanded by 6.3 per cent to 9,160.8 thousand while the number of international visitor arrivals increased by 0.4 per cent to 2,035.4 thousand in 2019.

Equally, the number of visitors to national parks and game reserves grew by 3.7 per cent to 2,975.2 thousand, while the number of visitors to museums, snake parks and historical sites declined slightly by 1.6 per cent to 990.2 thousand in 2019.

This figure will reduce significantly due to COVID19. This was summarized by the Ministry of Tourism Kenya as follows:

- **Hotels:** Th hotel sector has experienced an abrupt and unprecedented drop in hotel demand that has led to closure of most hotels. Consequently, some hotels have consequently sent some staff on paid and unpaid leaves.

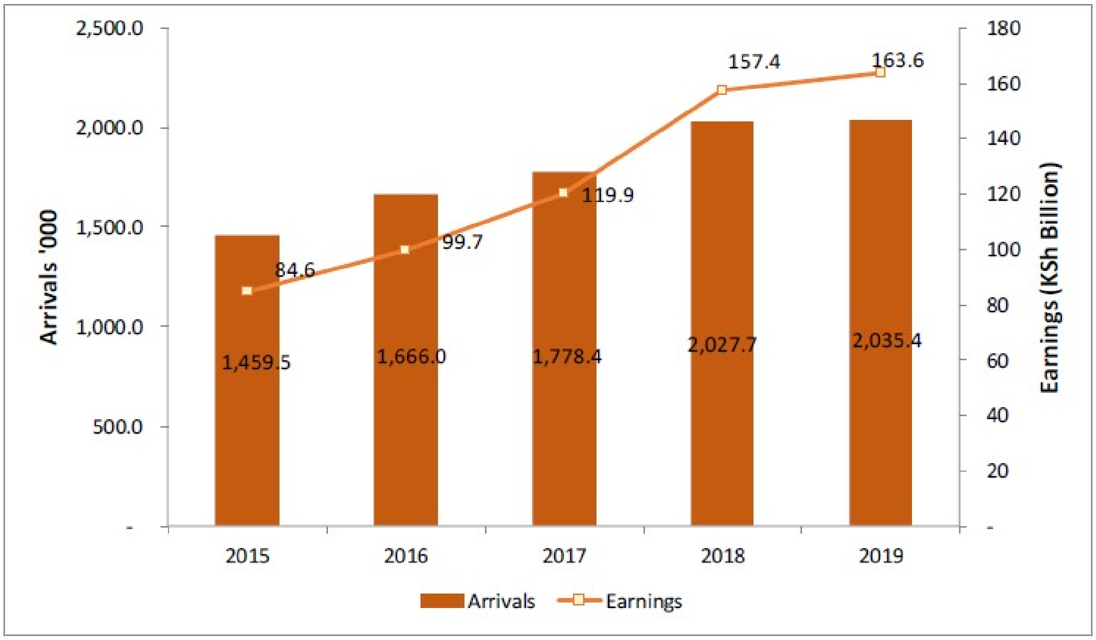
- **Airlines:** An escalation in the crisis could see passenger volumes fall by 1.6 million and $320 million in lost revenues.

- **Meetings, Incentives, Conferences and Exhibitions (MICE)** contributed 13.5 percent of the total 2,048,834 international arrivals in 2019 in Kenya, where at least 276,592 visitors

[1] See http://www.tourism.go.ke/wp-content/uploads/2020/07/COVID-19-and-Travel-and-Tourism-Final-1.pdf

participated in meetings and business. The sub-sector remains key in Kenya tourism receipts which in 2019 grew by 3.9% to KSh163.56 billion, which is threated by COVID-19 pandemic.

TABLE 7: NUMBER OF VISITOR ARRIVALS AND TOURISM EARNINGS 2015-2019



Source: Economic Survey 2020

The number of international and local conferences held rose by 6.9 per cent and 14.4 per cent to 218 and 4,743 respectively, in 2019. The number of trainees pursuing hospitality and tourism courses at the Kenya Utalii College grew by 9.8 per cent from 2,465 in 2018 to 2,706 in 2019. Students taking professional courses increased by 7.4 per cent from 851 in 2018 to 914 in 2019 with those taking short professional courses constituting 71.6 per cent of total trainees.

2.2 What does economic contraction mean for Parliament of Kenya?

The above impact of COVID19 implies that a lot of Parliament's programmes are likely to be disrupted and curtailed. This calls for parliament to be at forefront supporting and putting in place targeted mitigation and adaption measures can help containing any health and financial damage to the economy while allowing the Kenyan Parliament to fulfill their roles of representation, legislation, and oversight as outlined in its vision.

An analysis of recent budgetary allocation to Parliament is illustrated as follows:

TABLE 8: BUDGETARY ALLOCATION TO PARLIAMENT

YEAR	2020/21	2019/20	2018/19	2017/18
Amount	Ksh 37.3 billion	Ksh 36.2 billion	Ksh 36.8 billion	Ksh 36.2 billion

Source: National Treasury

However, if Parliament was to successfully implement its programmes, efforts need to be doubled towards sustained mobilization of sufficient resources beyond the Exchequer. The Institute proposes the following strategies:

2.3 Review Parliament's Strategic Plan 2019-2030

The advent of COVID-19 pandemic has jolted institutions to go back to the drawing board in terms of implementation of activities and programmes. It is imperative that Parliament reviews again its strategic pillars, objectives and timelines in line with the current situation. This implies fewer but impactful activities and interventions that would be in tandem to the season.

To achieve the foregoing, the following current Strategic Plan with seven (7) strategic pillars and twenty-two (22) strategic objectives will need to be reviewed and re-aligned to the new norm:

(i) strengthened democratic governance;

(ii) effective and efficient utilization of resources for positive impact;

(iii) enhanced parliamentary image for sustained engagement

(iv) mainstreamed ICT systems in parliamentary affairs

(v) sustained environmentally friendly processes;

(vi) modernizes an secure working environment and

(vii)a sufficiently resourced Parliament.

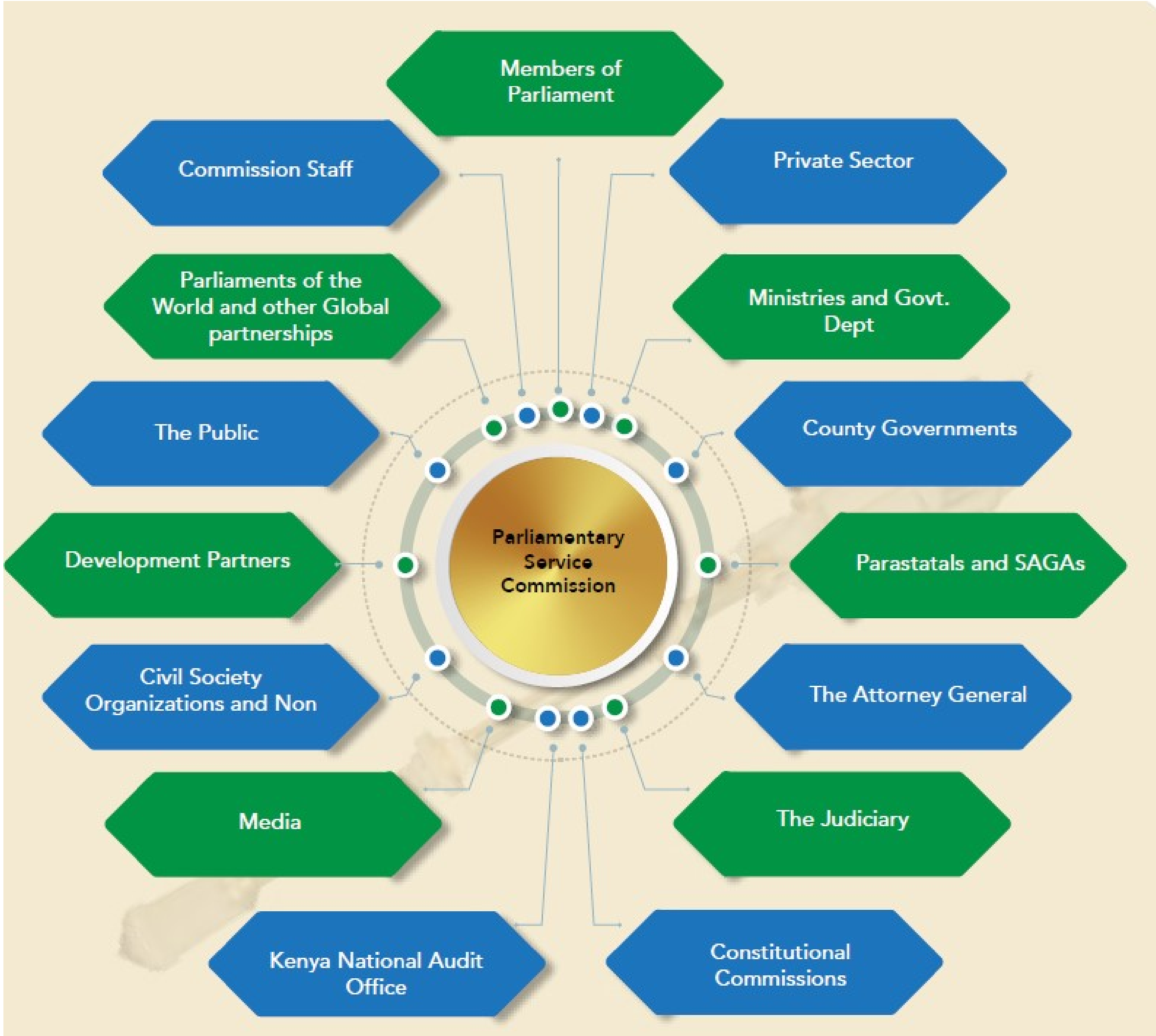
2.4 Resource Diversification

Parliamentary leadership needs to look beyond Exchequer funding. More efforts should be channeled towards reaching to like-minded development partners to fund the strategic plan and planned activities in the short-term to long-term.

2.5 Leverage on Partnerships

Parliament should endeavor to pursue and build partnerships with entities such as the Private sector and professional bodies to leverage on existing skills and resources. Indeed, this was already identified in the Strategic Plan for 2019- 2030 as indicated in the figure below:

FIGURE 1: PARLIAMENTARY SERVICE COMMISSIONS PARTNERSHIPS



Source: Parliament's Strategic Plan 2019-2030

2.6 OTHER RECOMMENDATIONS FOR WIDER POST-COVID RECOVERY

a) Push for Fiscal Consolidation:

Revert to the previously planned fiscal consolidation to reduce macroeconomic vulnerabilities and bring public debt on a downward trajectory. This would be done through an appropriate mix of revenue and expenditure measures aimed at achieving about 3% of GDP by 2022/23. Overall reduction in expenditure in several sectors but ensuring quality of service delivery is guaranteed especially on the Big Four projects.

b) Monetary Policy:

Enhance the monetary policy framework and prudential regulations, deepen structural reforms aimed at supporting growth-friendly fiscal adjustments that protect public investment, boost revenue performance and enhance debt sustainability.

c) Export orientation

With the dampened exports due to abrupt loss of access to international market and a breach of solvency and liquidity indicators threshold related to exports, Kenya must embark on export-oriented strategies to manufacture commodities that were originally imported as potential rebound of exports is expected to resume after the pandemic is contained.

3.0 ACCOUNTABILITY

Parliamentary oversight and accountability in context of the Parliament entails the process of assessing the level of compliance with the statutory financial management systems as provided for the Constitution of Kenya 2010, the Public Financial Management Act 2012, the Public Audit Act and the National Assembly Standing Orders.

This is further buttressed by independent checks on processes of budget implementation, monitoring of budget execution, reporting on financial performance by each entity and finally the element of audit to ascertain the level of compliance. Effective Parliamentary accountability and oversight is therefore an integral part of the efficient functioning of the national economy.

The Economic Commission for Africa identifies three major obstacles can hinder effective functioning of the legislature[2]:

1. **Constitutional dominance of the Executive/Presidency**: in most countries extensive decree powers can marginalize the role of parliament in its law-making function. This marginalization might also come about by a fragmented parliament that is subject to political

[2] https://www.uneca.org/sites/default/files/PublicationFiles/role-of-parliament-in-promoting-good-governance.pdf

manipulation by the Executive. Kenya has been fortunate to have a robust and independent parliament since the advent of multi-party democracy. This is a characteristic that we need to jealously guard.

2. **Lack of resources and/or capacity**: Law making function of parliament frequently requires expertise and capacity no one can expect from all parliamentarians on all fields of expertise. This is a matter that the Kenyan legislature needs to focus on and constantly equip itself.

3. **Lack of acceptance in the public**: Parliamentarians are the key agents of representation in a democratic system of government. They represent the people. Often, however, parliamentarians do not care about their electorate once elected. In Kenya, Parliament enjoys a lot of credibility and acceptance from the public. This needs to be continuously cultivated.

In the context of COVID-19, Parliament has a role to play in ensuring accountability of funds disbursed to support the recovery process. For instance, in the Budget Statement 2020/21, the Cabinet Secretary for National Treasury highlighted donor support towards COVID19 Pandemic and other post-covid recovery programmes

TABLE 9: DONOR SUPPORT TOWARDS COVID19

#	Country/Institution	Amount
1.	Rapid Credit Facility of the International Monetary Fund	Ksh 78.3 billion
2.	World Bank under the second Development Policy Operation	Ksh 108.0 billion
3.	World Bank- Contingency Emergency Response	Ksh 6.8 billion
4.	African Development Bank concessional loan	Ksh 22.5 billon
5.	European Union	Ksh 7.5 billon

Source: National Treasury- Budget Statement

The onus is on Parliament to ensure accountability in the utilization and application of above loans and grants.

Post-Covid Recovery Strategy

The government further set aside an 8-Point Economic Stimulus Programme with a cumulative allocation of Ksh 56.6 billion. The table below highlight some select programmes to support sectors and groups during and after the pandemic:

TABLE 10: POST-COVID STRATEGY PROGRAMME

#	Programme	Target Group	Amount
1.	Kazi Mtaani Programme”.	▪ Unemployed youth in the major cities and urban settlements ▪ targets to employ at least 200,000 youth.	Ksh 10.0 billion

#	Programme	Target Group	Amount
2.	Credit Guarantee Scheme	▪ Micro, Small and Medium Enterprises (MSMEs)	Ksh 3.0 billion
3.	Healthcare during Covid 19	▪ Recruitment of an additional cohort of 5,000 healthcare workers	Ksh 1.2 billion
		▪ Supply 20,000 locally made beds and beddings to public hospitals	Ksh 500 million
		▪ 50 modern walkthrough sanitizers at our border points and main hospitals across the country.	Ksh 25 million
4.	Tourism Recovery	▪ Renovation of facilities and the restructuring of business operations	Ksh 3.0 billion
		▪ Grants to 160 Community Conservancies ▪ Support to Kenya Wildlife Services to engage 5,500 community scouts for a period of one year	Ksh 2.0 billion

FIGURE 2: CASE STUDY - KAZI MTAANI PROGRAMME

Case study: Kazi Mtaani Programme

This "Kazi Mtaani Programme" targets unemployed youth in the major cities and urban settlements of Nairobi, Mombasa, Kisumu, Eldoret, Nakuru and other major towns across the country. The youth are engaged in fumigation, storm water drainage works, cleaning of markets and informal settlements, rehabilitation and maintenance of access roads, foot bridges and foot paths and other environmental management activities. The "Kazi Mtaani Programme" targets to employ at least 200,000 youth. A total of Ksh. 10.0 billion was allocated to the programme in the FY 2020/21.

In Nairobi, over 12,000 Kenyans living in Mathare, Kibera, Mukuru and Korogocho were enlisted in the Kazi Mtaani first phase and undertook daily sanitation and environment preservation duties in the respective settlements. So far 31,689 Kenyans in eight counties worked on this national initiative. On August 2020, Kazi Mtaani launched a new program to upgrade classrooms in schools around the country

Key accountability issues

a) Cases of nepotism and bribery during recruitment. Some of the jobless youth claimed that government officers had enlisted persons from other areas, locking out targeted beneficiaries.

b) Sh450 daily allowance is not commensurate with eight working hours a day.

c) The first phase was a discrimination against the majority youth in rural Kenya since it targeted only urban low-income areas.

d) This initiative has been rocked by protests from youth who cited lack of payment.

e) This program is a duplication of roles. This is because there are established state agencies such as the Kenya National Highways Authority that should be concerned with the state of our roads and road reserves, including overseeing sanitation work. They are allocated money from the public offers

4.0 OVERSIGHT

4.1 UNDERSTANDING PARLIAMENTARY OVERSIGHT

The Inter-Parliamentary Union defines Parliamentary oversight as “the review, monitoring and supervision of government and public agencies, including the implementation of policy and legislation”. This well elaborated in the Constitution of Kenya (2010) and more specifically Chapter Eight of the Constitution. The contribution of Parliament to the Vision 2030 is through its roles as provided in Article 94 and 95. This is in terms of legislation, oversight, participatory representation and appropriation of funds for expenditure. Parliament, therefore, supports the critical sectors identified as enablers of economic and social development by providing an enabling environment for socioeconomic development.

From this definition, the key functions of parliamentary oversight can be described as follows:

a) to detect and prevent abuse, arbitrary behaviours, or illegal and unconstitutional conduct on the part of the government and public agencies. At the core of this function is the protection of the rights and liberties of citizens;
b) to hold the government to account in respect of how the taxpayers’ money is used. It detects waste within the machinery of government and public agencies;
c) to ensure that policies announced by the government and authorized by parliament are actually delivered. This function includes monitoring the achievement of goals set by legislation and the government’s own programmes; and
d) to improve the transparency of government operations and enhance public trust in the government, which is itself a condition of effective policy delivery.

The above objectives are well summed up under Article 94 of the Constitution of Kenya.

Article **94: Role of Parliament**

1. The legislative authority of the Republic is derived from the people and, at the national level, is vested in and exercised by Parliament.
2. Parliament manifests the diversity of the nation, represents the will of the people, and exercises their sovereignty.
3. Parliament may consider and pass amendments to this Constitution and alter county boundaries as provided for in this Constitution.
4. Parliament shall protect this Constitution and promote the democratic governance of the Republic.
5. No person or body, other than Parliament, has the power to make provision having the force of law in Kenya except under authority conferred by this Constitution or by legislation.

The Constitution further delineates the roles of the National Assembly and the Senate under Articles 95 and 96.

4.2 WHAT IS THE RATIONALE FOR OVERSIGHT?

Parliamentary oversight helps achieve the following:

a) Enhances accountability in the utilization of public resources;
b) A critical governance tool in detecting waste;
c) Enhances efficiency, economy and effectiveness of government operations.
d) Confirms if government policies are actually delivered by monitoring achievements of government's programmes
e) Improves the transparency of government operations and enhance public trust in the government

Parliament undertakes oversight through mechanisms such as *public hearings, Power of the Purse / Budget Vote, Debates and Questions and Committee Investigations* among many others

4.3 KEY QUESTIONS FOR POST-COVID OVERSIGHT[3]

The Inter-Parliamentary Union developed a checklist to help measure and assess the strength of the oversight role of Parliament. This paper sampled a few of these parameters as illustrated in the table below:

TABLE 11: KEY QUESTIONS FOR PARLIAMENTARY OVERSIGHT

#	Thematic Area	Key Questions and Guide
1.	Establish oversight as a top priority for parliament	1. Has parliament introduced any innovations in practice aimed at increasing its oversight performance? 2. Does parliament have mechanisms to evaluate its oversight capacity and monitor its oversight performance? 3. Does parliament have a well-established and functional mechanism(s) to enable stakeholders, both inside and outside parliament, to provide a constructive contribution to the parliamentary oversight performance? 4. Has parliament reviewed its oversight role and performance (strengths, weaknesses, gaps) in the last five years? If yes, what were the findings and follow-up action?
2.	Autonomy of parliament	1. Does parliament enjoy institutional autonomy (Speaker's appointment, no-confidence vote in government or its members, immunity to dissolution by the executive, etc.)? 2. Is parliament involved in all stages of state and parliamentary

[3] https://www.ipu.org/sites/default/files/documents/toolkit-12-10-2018-e.pdf

#	Thematic Area	Key Questions and Guide
		budgetary cycle (from preparation to adoption)? 3. To what extent is parliament autonomous in practice from the executive? 4. How well is parliament able to scrutinize draft budgets tabled by government and to control budget execution?] 5. To what extent does parliament have control over its own budget, in all stages of the budget cycle?
3.	Oversight capacity	1. Are any committees (or other parliamentary bodies) chaired by the opposition? 2. Do parliamentary rules and practice enable any special treatment of the legislative and oversight initiatives coming from the opposition regarding committees' and/or plenary agenda? 3. Does parliament have a dedicated research unit/staff? If yes, do all members of parliament have equal access to the research services? 4. In the past 12 months, how many trainings have been held related to oversight? How many people have attended? MPs only, or staff included?
4.	Partnerships	1. Has parliament established working relationships with oversight institutions and other nonparliamentary actors? 2. Does parliament have clear rules about public participation (Professional Associations, Private sectors and civil society organizations, academia, individual experts) in its oversight activities?
5.	Build public support for oversight	1. Is there an enforceable system of control and accountability of parliamentarians for asset declaration, conflicts-of-interest disclosure and lobbying? 2. Are parliamentary records and proceedings publicly accessible? Are reports of committees publicly available? 3. Does parliament have a strategy, mechanisms and channels to effectively communicate its oversight work with the public? Has it regularly reported on its oversight activities?

5.0 LOOKING FORWARD

Parliament should be alert and consciously prepare to engage on the following:

1. **Fight Against Graft** – spearhead governance, the rule of law and the fight against any forms of corruption. This includes ensuring prudent utilization of COVID19 funds or any other resources allocated during and post covid19. There should be ruthless accountability, transparency and robust public engagement to ensure proper targeting of interventions, value for money and prevention of corrupt practices.

2. **Planning and Budgetary Priorities for the Country FY 2020/21**
   Parliament should consider and review the following;

   a) Facilitate review of the Medium-Term Plan III (2018-2022) of Vision 2030 to align programmes to Post-Covid Recovery Strategies and the new norm:
   b) Roll out of the economic stimulus programme that catalyzes economic activity, provide livelihood to Kenyans and enable businesses to recover from the adverse effects of Covid-19
   c) Develop a Sessional Paper to review the country's socio-econo-political environment to align it to the future of work, Artificial intelligence and technological advancement. Specifically, there is need to review the Education Sector to adopt digitization and the new normal in Kenya's Learning environment. This will call for a review of the traditional provision of education. Provision of tablets/ laptops to all pupils and students is now a necessity.
   d) Continue supporting the implementation of the Big Four Agenda even in COVID 19 environment

3. **Public Finance Management**: Enforce stricter adherence to public finance management as stipulated by Article 12 of the Constitution. This will entail supporting the implementation of Controller of Budget and Auditor General reports, findings and recommendations; adoption of new budget implementation review and audit tools; as well as conducting more of value for money audit as opposed to just financial audits.

4. **Be at the centre of Post- Covid Recovery Strategies**. Already Parliament enacted the Tax Laws Amendment Act 2020 and approved approximately Kshs. 53 billion towards Post-Covid Recovery. However, Parliament can still continue playing legislative and oversight roles towards the same by ensuring additional resources and focus is given to Post-Covid Economic recovery.

5. **Election and Campaign Financing** – Implementation of Election Campaign Financing Act 2013 was deferred to 2021. This is a high time for Parliament to rethink and ensure implementation of this law especially in light of the implication of COVID19 to finances. The resultant level playing field will be beneficial to both members seeking elective positions as well as taxpayers and political parties.

6. **Fiscal Transparency and public participation** – Parliament should ensure mechanisms for public participation in legislation and oversight are not curtailed during and post-covid19. Innovative technologies should be adopted to take advantage of Kenya's good internet connectivity and mobile phone penetration.

7. **Strategic Review**- The business environment during and post-covid19 has significantly changed. Parliament should prioritize the review of its Strategic Plan 2019-2030 to align to the new norm while delivering on its critical mandate;

8. **Retirement Scheme for Parliamentarians**: Parliament should figure out on establishing a pension fund for Parliamentarians to beef up the government pension scheme.

6.0 REFERENCES

Bar Ilan University, *Parliamentary Activity and Legislative Oversight during the Coronavirus Pandemic -A Comparative Overview*, March 2020

Commonwealth Parliamentary Association, *COVID-19 Delivering Parliamentary Democracy: Toolkit for Commonwealth Parliaments*

ICPAK/IBP, *Joint presentation on Division of Revenue Bill 2020 to the Senate*

ICPAK, *Policy Brief on Covid-19*, April 2020

Inter-Parliamentary Union, (2007), *Tools for parliamentary oversight- A comparative study of 88 national parliaments*

KNBS, *Economic Survey* 2020

KNBS, *Survey on Socio Economic Impact of COVID-19 on Households Report*, 2020

Ministry of Tourism, *Impact Of COVID-19 on Tourism in Kenya, The Measures Taken And The Recovery Pathways,* June 2020

National Treasury, *Budget Statement* FY 2020/21

National Treasury Kenya, *Budget Policy Statement,* 2020

Parliamentary Service Commission, *Strategic Plan* 2019-2030

Paul Posner and Chung-Keun Park *,Role of the Legislature in the Budget Process: Recent Trends and Innovations*, OECD 2007

Republic of Kenya, *Constitution of Kenya* 2020

Republic of Kenya, *Election Campaign Financing Act* 2013

Republic of Kenya, *Public Finance Management Act* 2012