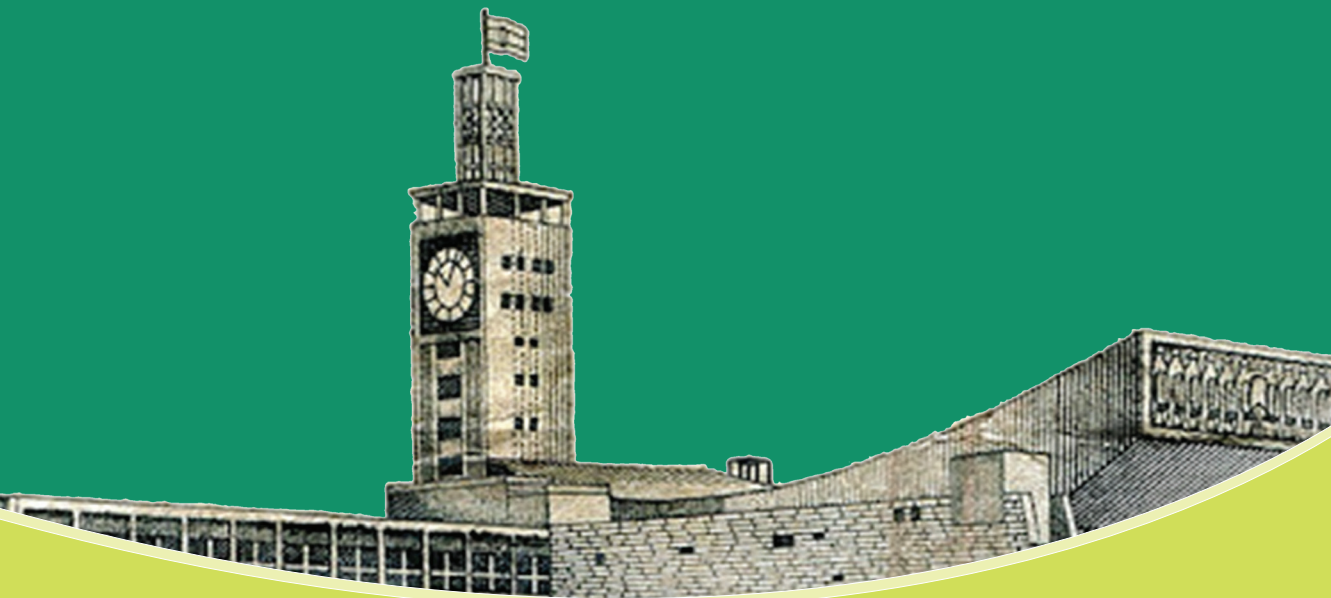




Parliament of Kenya

The National Assembly

Role of the Public in the Budget Process



Fact Sheet
No. 31

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This Factsheet on the **Role of the Public in the Budget Process** is part of the Kenya National Assembly Factsheets Series that are supposed to enhance public understanding, awareness and knowledge of the work of the Assembly and its operations. It is intended to serve as easy guide for ready reference by Members of Parliament, staff and the general public. The information contained here is not exhaustive and readers are advised to refer to the original sources for further information.

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Role of the Public in the Budget Process

1.0 Introduction

The public has a right to participate in the public finance matters of the Republic, including budget making, as explicitly required in article 221 of the Constitution of Kenya 2010 and through other fundamental provisions in the Constitution such as those on people participation (Articles 10(2); 201; and 221).

Specifically, Article 221(5) mandates a committee of the National Assembly, in discussing and reviewing the budget estimates, to “seek representations from the public and the recommendations shall be taken into account when the committee makes its recommendations to the National Assembly.”

These provisions further mirror the roles of the National Assembly under article 95 on representation of the people and solving matters of interest to the people. This means that by consulting the public during budget review, Members of the National Assembly are directly exercising their representation role. On the other hand, members of public exercise their constitutional duty by making representations on budgetary, economic and financial matters of their interest to the Committee and further exercise their sovereignty.

2.0 Budgets and public hearings

The budget making process is a powerful route through which members of the public can influence mobilization, allocation and prudent utilization of public money. In this context, the budget is an instrument or a tool for allocating money collected by the government either as taxes or borrowing to pay for planned government activities. The budget therefore comprises of the government

programs, activities for which public resources will be utilized to serve the public.

Thus, public representations on the budget can span expenditure priorities (for example the need to build new schools), prudence and efficiency of spending (views on how best to reduce wastage or misuse of public money and how that can be addressed). Additionally, members of the public may also raise issues on the financing side of the budget. Such views may include: proposals on taxation, tax rates, whether to raise or reduce taxes; country's debt levels; sustainability of further borrowing among others.

Pursuant to article 118 and 201 of the Constitution of Kenya, 2010 Parliament undertakes public hearings in selected places across the country to listen to and receive the views of the public on budget matters including financial legislation.

3.0 How public hearings on the budget are conducted

Upon tabling of the estimates of revenue and expenditure of the national government and those of the Parliamentary Service Commission and the Judiciary by April 30th every year, the committees of the Assembly mandated to oversee specific government departments and agencies immediately start reviewing the budget. Simultaneously or after a couple of weeks, about early May of each financial year, the Budget and Appropriations Committee prepares and invites members of the public including individuals, groups or organizations to submit their written representations on the budget either via post, email or in forums conducted by the Committee across the country.

Budget and Appropriations Committee sends out the invitation to the public to participate in budget public hearings with information of the venue and time of the meetings through various media platforms such as newspaper and radio. The Committee also hosts the meetings alongside local leaders. Members of the public are allowed to present their views orally or in writing. These representations by the public form a basis for further consideration by the Committee, which includes taking into account the recommendations of the public in the report to the House.

Since 2011, the National Assembly has endeavoured to incorporate and where necessary, include the proposals from the public in the budget for appropriation and implementation. In 2011 during the public hearings it was possible to identify segments of society whose needs had been ignored, especially the people with Albinism.

4.0 How proposals may be incorporated

Representation from the public span numerous topics including macroeconomic matters such as inflation, interest rates and exchange rates, expenditure matters, financing, and efficiency or wastage of public money. Whereas some representations are specific or targeted, say, the need to construct a given road in a specific region or county, other representations are broad and on general policy issues. The Committee therefore faces the difficult task of sifting through the proposals and identifying where there are gaps in provision of requested services or measure and may recommend action, funding, or remedy to the issue

or matter at hand. Where possible, a proposal is financed in collaboration with the likely implementing agencies so as to ensure that the new project can be implemented well. Specific policy proposals from the public, where there is no other provision in the budget are often considered. Those of general or policy nature are integrated in policy sections of the House recommendations to the executive.

5.0 Appendix 1: Important budget timelines

Key date	Activity	Remarks
August 30	Issuance of the budget circular by the National Treasury for preparation of next financial years' budget.	The circular sets off the budget process for the next financial year.
October 21	Submission of the Budget Review and Outlook Paper to Parliament.	The paper provides review of previous budget and economic framework and the macroeconomic and resource framework for the next financial year. The National Assembly through the Budget and Appropriations Committee may study the report but no particular action may be taken.
December 31	Submission of the Auditor General's report on the finance and expenditure of public funds allocated to national government entities.	The constitution requires that the report be submitted six months after the end of the financial year. The constitution requires that the National Assembly debates, considers the report and takes necessary action. The audit reports are submitted to the Public Accounts Committee for review and preparation of report and recommendations for discussion by the full House.
Sector Public Hearings		
February 15	Submission of the Budget Policy Statement, Medium Term Debt Strategy, and draft Division of Revenue Bill and County Allocation of Revenue Bills by the National Treasury.	The Budget Policy Statement, Medium Term Debt Strategy should be considered and adopted by the House within 14 days. The Division of Revenue Bill should be introduced in National Assembly by March 10.
April 30	Submission of the annual estimates of revenue and expenditure of the national government, and estimates of Parliamentary Service Commission and the Judiciary.	After tabling of the estimates, the estimates stand committed to the departmental committees in line with their respective mandates. The committees have 21 days to submit report to Budget and Appropriations Committee. The Budget and Appropriations Committee prepares a report for approval of the estimates by the House.
Mid-May	Conduct of public hearings by the Budget and Appropriations Committee	Public representations on the budget are to be taken into account before the committee tables the report on the estimates for approval by the House.

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Mid-June	Pronouncement of budget highlights and revenue raising measures by the Cabinet Secretary responsible for Finance.	The Finance Bill and budget related bills are introduced after the pronouncement on the revenue raising measures.
Mid June - June 30	Approval of the Budget and Appropriations Committee report on the annual estimates, introduction and approval of the Appropriations Bill.	The report of the Committee is approved by the House, followed by the Appropriations Bill about mid-June. The House may approve a vote on account if the Appropriations Bill is unlikely to be assented to by the President before June 30.
June - September 30	Deadline for the approval of the Finance Bill.	The Finance Bill should be approved 90 days after the approval of the Appropriations Bill. September 30

Source: Parliamentary Budget Office

References

- Constitution of Kenya, 2010
- Public Finance Management Act, 2012
- Budget Options, a Publication of the Parliamentary Budget Office





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