



How County Health Leadership Can Influence County Budgets



In 2010, Kenya adopted a new constitution which both guaranteed the right to health and devolved health service delivery to Kenya's 47 counties. A few years later, in 2014, counties became responsible for delivering health services. Although funding to support service delivery has also been devolved to the counties, it remains inadequate for county health needs, forcing the health sector to compete with other priority sectors for scarce resources.



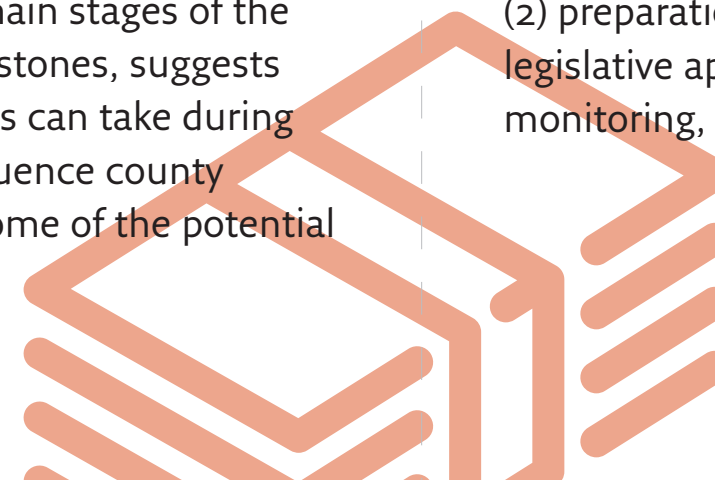
To fill the finance gaps, counties will need to explore opportunities to increase their health sector allocations. Health sector stakeholders can do this by taking specific actions to influence the budget cycle, as prescribed in the Public Financial Management Act of 2012, which outlines important milestones, tasks, and deadlines in county budget preparation.

To help County Departments of Health (CDOHs) secure greater allocations for the health sector, this how-to guide provides a summary of each of the main stages of the budget cycle and key milestones, suggests actions that county leaders can take during the budget process to influence county budgets, and highlights some of the potential bottlenecks at each stage.



How the Budget Cycle is Organised

The county budget cycle is not linear, but rather a series of overlapping processes and tasks from the previous fiscal year (FY), the current FY, and the next FY. This is consistent with Kenya's Medium Term Expenditure Framework (MTEF) approach, which links planning and budgeting on a three-year rolling plan. Overall, the budget cycle is organized into four stages: (1) prioritization and determining resource envelopes; (2) preparation of budget estimates; (3) legislative approval; and (4) budget execution, monitoring, and review (see figure).



STAGE 1: Prioritization and Determining Resource Envelopes

Stage 1 of the budget cycle (prioritisation and determination of resources available for the upcoming year) begins with the release of the budget circular on 30 August of the current financial year. The process takes place over a six-month period between 30 August and 28 February. During this period, the health sector reviews the performance of the previous financial year and determines and costs strategic priorities for the upcoming financial year.

STAGE 2: Preparation of Budget Estimates

Stage 2 (preparation of budget estimates) begins after the provisional budget ceilings are established through the County Budget Review and Outlook Paper. The CDOH makes a bid/ prepares a budget proposal for health investments, outlining the plan for using health resources and the actual funding needed to realize health sector commitments, regardless of the provisional ceilings set.

STAGE 3: Legislative Approval

The budget approval stage (Stage 3) runs from 30 April 30 to 30 June. In this stage, the County Assembly reviews and approves county budget estimates and passes the necessary legislation to allow the CDOH to start spending money.

STAGE 4: Budget Execution, Monitoring, and Review

The passage of the County Budget and County Appropriation Bill marks the beginning of budget execution period (Stage 4), which runs from 1 July 1 to 30 June of the following calendar year. CDOHs have the opportunity to request additional funding during the supplementary budget planning (i.e., within the first two months of the FY). During this period the CDOH will monitor the spending of appropriated funds with the aim of promoting efficiency, preventing wastage and fraud, and ensuring high performance in service delivery. County governments are required to comply with the legal requirements for accounting and reporting on the appropriated funds in the implementation period.

KEY ACTORS

County Assembly Budget and Appropriations Committee
County Assembly Health Committee
County Budget and Economic Forum
County Department of Health (CDOH)
County Executive Committee (CEC)
County Treasury
Office of the Controller of Budget (County)

KEY DOCUMENTS

County Annual Workplan for Health
County Budget Circular
County Budget Review and Outlook Paper
County Fiscal Strategy Paper
County Integrated Development Plan
Public Finance Management Act of 2012

Other helpful resources

County Health Sector Strategic Plan
District Health Information System
Public expenditure review reports

+ STAGE 1

30 August

County Treasury releases budget circular

REQUIRED ACTION BY THE COUNTY HEALTH DEPARTMENT ☒

1. Review circular and seek clarity on any ambiguities.
2. Prepare a workplan for health sector engagement in the budget process and a framework for prioritising and justifying health sector priorities. It is advisable to start this process before the budget circular is released to give enough time for consultation with stakeholders.

POTENTIAL BOTTLENECKS ⓘ

1. County Treasury may not share budget circular in good time.
2. Poor knowledge of the budget calendar by the CDOH may negatively impact response.

1 September

Annual County Integrated Development Plan is submitted to the County Assembly

REQUIRED ACTION BY THE COUNTY HEALTH DEPARTMENT ☒

1. Before this date, prepare a sector position paper to feed into the annual development plan indicating both short- and medium-term sector priorities, performance indicators, priority programmes, the costs of the prioritised health sector programmes/activities, and any resource gaps.

POTENTIAL BOTTLENECKS ⓘ

1. The CDOH may start to engage the public and prepare the position paper too late to influence the annual development plan.

30 September

County Treasury submits the County Budget Review Outlook Paper to the County Executive Committee (CEC) for approval

REQUIRED ACTION BY THE COUNTY HEALTH DEPARTMENT ☒

1. Lobby the County Treasury to consider increased health investments when setting provisional ceilings in the outlook paper.
2. Once the outlook paper is submitted, prepare the health sector working group report. The report should highlight the resource gaps based on provisional ceilings and justify the need to increase investments in health.
3. Revise the health sector bid to align with the ceilings set in the fiscal strategy paper.
4. Engage the County Assembly Health Committee on the priorities and resource gaps.

POTENTIAL BOTTLENECKS ⓘ

1. Lack of political will by the County Treasury and the CEC to increase budget ceilings.
2. Delay in the submission of sector working group reports by the CDOH.
3. The CDOH may not have the requisite skills in lobbying and preparing reports and gap analyses.

28 February

County Treasury prepares and submits the County Fiscal Strategy

+ STAGE 2

30 April

The CEC Member for Finance submits budget estimates to the CEC for approval, prior to submitting the estimate to the County Assembly (by 30 April)

REQUIRED ACTION BY THE COUNTY HEALTH DEPARTMENT ☒

1. The health sector working group, together with the health department, should prepare and present health sector budget proposals to the County Treasury and its budget committee. The sector budget proposals should build on the sector position papers prepared during the preparation of the sector development plan, outlook paper, and the County Fiscal Strategy Paper.
2. The CEC Member for Health should negotiate with his/her counterpart in finance on the need for increased allocation in health and/or reallocation within the health budget.
3. Track whether the departmental priority needs and proposals are included in the consolidated budget estimates by monitoring the County Budget Committee and the County Assembly Budget and Appropriations Committee.
4. Mobilise, sensitise, and lobby the County Assembly Health Committee to support the CDOH budget proposals to the Treasury and the County Assembly departmental cash flow projections.
5. Prepare and present the departmental cash flow projections to the Treasury.

POTENTIAL BOTTLENECKS ⓘ

1. The CDOH may underestimate health sector resource needs.
2. The CDOH may not avail the required supporting documents for the budget in good time and/or the right format.
3. The CDOH may be lacking in budget advocacy skills.
4. Lack of political will for increased health investments on the part of members of the County Assembly and budget committees.

15 June

The county government prepares and submits annual cash flow projections for the county to the Controller of Budget

+ STAGE 3

30 June

County Assembly considers and approves budget estimates with or without amendments and passes the County Appropriation Bill

REQUIRED ACTION BY THE COUNTY HEALTH DEPARTMENT ☒

After preparation of budget estimates and before this date:

1. Constantly engage with the health and budget committees of the County Assembly to track departmental budget estimates and ensure that they are safeguarded throughout the legislative budget approval process.
2. Mobilise and lobby like-minded County Assembly members in order to push for increased budgetary allocations for health.
3. Mobilise the public and civil society to make submissions for increased budgetary allocations for health.

POTENTIAL BOTTLENECKS ⓘ

1. The CDOH and civil society may start lobbying activities too late to influence the process.
2. Overall capacity to engage with politicians may be weak.

+ STAGE 4

Between October–November

Supplementary budgets due

REQUIRED ACTION BY THE COUNTY HEALTH DEPARTMENT ☒

1. Prepare and present detailed sector supplementary budget estimates to the County Treasury and make a strong case for additional resources or reallocation of resources.

POTENTIAL BOTTLENECKS ⓘ

1. Timing is critical. The CDOH may miss this window of opportunity if it delays the submission of the supplementary budgets.

Reports due every quarter

County Treasury prepares and publishes budget implementation reports

REQUIRED ACTION BY THE COUNTY HEALTH DEPARTMENT ☒

1. Review the quarterly health sector budget and programme performance to identify areas for improvement.
2. Use various expenditure tracking mechanisms, such as value-for-money assessments, and infrastructure project site inspections to monitor the budget implementation process.
3. Civil society can conduct public opinion polls and shadow budget reporting to monitor budget implementation and advocate for the better use of resources.

POTENTIAL BOTTLENECKS ⓘ

1. The CDOH may miss reporting deadlines which will, in turn, negatively impact program reviews.
2. The CDOH's capacity for budget and expenditure tracking may be weak.

31 December

The National Audit Office carries out an audit of the county government within six months of the end of the FY

REQUIRED ACTION BY THE COUNTY HEALTH DEPARTMENT ☒

Review the Auditor General's report and identify areas for systems strengthening to enhance accountability in the use of public resources appropriated for health.

POTENTIAL BOTTLENECKS ⓘ

Audit findings may not be disseminated by the county government, preventing the health sector from making necessary system improvements.

If you have any questions, or require support to advance your ability to navigate the county budget processes, please contact:

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