

**REMARKS BY H.E GOVERNOR ISAAC RUTO, CHAIRMAN, COUNCIL OF GOVERNORS,
TRAINING OF TRAINERS ON COUNTY BUDGET PREPARATION MODULE HELD ON 18TH
NOVEMBER 2014**

*The CS Ministry of Devolution and Planning ,Ms Anne Waiguru
CS National Treasury Mr Henry Rotich,
Controller of Budget, Ms Agnes Odhiambo,
Representative of Development Partners,
Representatives from the County Governments,
Distinguished guests Ladies and Gentlemen,*

I would like to take this opportunity to thank the organizers of this workshop as indeed it wouldn't have come at a better time than this. Without further ado, I would like to go straight to the points and to emphasize on our reason for being here today and through the three days that we will be here.

Ladies and gentlemen,

Sharing of Revenue

The Constitution of Kenya provides under **Article 202(1)** that **Revenue raised nationally shall be shared equitably** among the national and county governments. **This means that the level of government with greater need will be allocated greater percentage of the allocation.** This notwithstanding, to effectively utilize the resources allocated to either level of government or among counties, sound budgets need to be prepared and implemented by all governments. This can only be achieved through continuous capacity building to the counties through their relevant representatives such as the ones who are here today

2014/15 County Budgets

It is quite noting that the 2014/15 county budget process was plagued by numerous challenges across the counties, but most counties managed to produce Fiscal Strategy papers for the first time due to the elapsed timeframe for the 2013/14 financial year as we can all remember that the county governments came into effect on March 4th 2013 well beyond the February 28th deadline. Moreover as required by the PFM Act, many counties shifted to programme- based budgeting this year which are very different from the traditional line-item budgets Kenyans are used to. This must be an achievement on the part of county governments as we move forward.

Ladies and Gentlemen

Budget Cycle

The budget cycle has four key stages that must be followed to the full end to ensure effective and efficient service delivery to Kenyans. This involve the budget formulation; budget enactment, budget execution; and budget auditing. Currently many counties budgets are going through the execution phase and we are hoping that this time round, and after this training, the level of accountability, openness shall be adhered to as required by the Constitution in Article 201.

We as a nation must recognize the importance of having properly constituted budgets as these are our tools for service delivery. The trained staff must go back to their respective counties and start identifying the gaps that need to be filled as we await the development of the next financial year's budgets.

Budget Interrogation

It is always important to interrogate the budgets from a knowing perspective and as a Council, we are pleased that such training is taking place as it will help guide in the interrogation of the budgets. Questions such as; could well be answered when one is equipped with the relevant capacity for the same.

1. Does the budget contain estimates for the coming three years or only for this year?
2. Does the budget properly distinguish between recurrent and development expenditure?
3. Does the budget have the same priorities as the county's development Plan?

Ladies and Gentlemen

Role of the Controller of Budgets

We must all understand the roles of each institution mandated to oversee effective usage of public resources. As a Council we believe that the office of the Controller of Budget by being represented in this training shall provide proper guidance with regard to withdrawals of public funds. For the past one year, counties have been facing challenges with getting approvals from the office of the Controller of Budget and this mainly boils down to un-adherence to the guiding principles of proper budget making. This in turn has slowed down the process of service delivery in counties.

It is upon this statement that I urge the office of Controller of Budget together with other trainers involved in this exercise to help the counties make sound budgets that are easy to operationalize. This will go a long way in as far as making devolution work in this country.

Ladies and Gentlemen

Without taking much time, I wish you all the best and encourage you to engage with each other even as you ensure that you make the best of this workshop. God bless you all.

Thank you.