

Enhancing Revenue Collection in LA's

- Improved budgeting Process
 - Most of the Local authority in the Country works within the guideline given by the Ministry of Local Government based on their past performance. This limits their ability to outperform themselves while budgeting for rates.
- Improved activities of the Internal Audit Functions
 - The internal audit department of most LA's have not pursued their activities with high level of professionalism due to a lot of inherent factors both within the department and the LA's. This has slowed their ability in monitoring collection of funds.

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- Enhanced capacity Building amongst staff
 - Strong capacity building of Local Government staff to eradicate the problem of limited capacities
- Complying with Internal Control systems
 - Councils can improve on their collections if they harmonize the existing systems as provided for in their various manuals such as Financial Management Regulation and other documentations

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- Employing Competent Staff
 - Staff employed in some of the key department such as Rates should be based on professional qualifications and not any other considerations
- Reliable Financial Reporting
 - There is need to improve on the existing financial reporting requirements. These reports will enable the LA's to monitor collection of rates against the expectation.

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- Monitoring
 - Putting in place strong monitoring and evaluation strategies in Local Government, for example tax administrative manuals, audit manual and enforcement manual to help local government collect the tax effectively

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- Tax Policy
 - Develop a clear and comprehensive local tax policy that is progressive but allows for sufficient revenue generation by local authorities;
- Administration
 - Improve administrative procedures in local government tax collection

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- Partnership
 - Outsourcing of local tax administration process is an attractive option where private firms are more efficient at performing certain local revenue administrative functions. i.e. collections and recoveries

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- Actions on Audit Reports
 - The outcome of the external audit within local authorities should be given a lot of consideration as means to improve their own internal control systems.
- Improved Valuation Rating Book
 - There are cases where the valuation role in a number of Council remains incomplete casting doubts on the amount to be charged for the plots.

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- Enhance IPSAS Reporting
 - In the past majority of the LA's had their financial reporting leaning towards cash basis than accrual. However, with the introduction of IPSAS reporting template, there need for them to embrace IPSAS fully which is more informative with the disclosures.

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- Realistic Penalties and Enforcement Procedures
 - Make sure that LA's are able to levy penalties for late payments and at the same time enforce recovery of the outstanding balances .
- Partnering with Kenya Revenue Authority

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- Ensuring greater transparency in local revenue administration. The legitimacy and success of the local revenue system will depend to a large extent on the confidence the tax payers have on the usage of their taxes.

