



# ***Budget Implementation Gaps – A journey towards fiscal prudence***

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# Contributing factors

- Date when the Finance Act is assented to by the President and the actual date when KRA starts to collect taxes.
- Legal hurdles in tax policy implementation e.g.. Robin Hood Tax .05% on transfer of Ks500,000,presumptive tax, National Housing Devp fund
- Lengthy procurement process leading to delays in the implementation of capital projects and hence reduced absorption of development expenditure.



## Contributing factors Cont...

- Challenges related to pending bills, how to deal with them-check Controller of Budget reports.
- Weak link between policies and budgetary allocations





# Overcoming the Gaps

- Prompt disbursement of budgetary allocations-Counties have been complaining about delays.
- Reduce fiscal deficits through public private partnership (PPP)
- Widen tax-net bring more people
- Policies and budgets of both levels of Government should be interlinked.



# Overcoming the Gaps Cont...

- Seal loopholes/ revenue leakages in public sector
- Implementation of Auditor General and Controller of budget reports
- Overhaul of the budget making process to ensure realistic budget estimates to reduce fiscal deficit.





# Overcoming the Gaps

- Review of the public financial management system (PFM Act. No 18 of 2012) for both National and County Governments, to seal loopholes that lead to loss of public funds.
- Reduction in spending: In the past few years, public expenditure has been growing at a faster pace than revenue. The major outcome has been huge budget deficits.
- Enhance accountability in public and private sectors to free more resources to development eg. Strengthen institutions; DCI, DPP, EACC

# THANK-YOU

## ANY QUESTIONS??

