



## THE BUDGET MAKING PROCESS IN KENYA



VIVA AFRICA CONSULTING



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- According to the Public Finance Management Act, 2012, the Cabinet Secretary for the National Treasury and Planning (the Cabinet Secretary) shall with the approval of the Cabinet make a public pronouncement of the budget policy highlights and revenue raising measures for the national government.
  
- In this regard, the Cabinet Secretary will submit a legislative proposal to Parliament setting out the revenue raising measures for the national government after which the relevant committee of the National Assembly shall introduce a Finance Bill in the National Assembly.
  
- The budget making process as provided for under the Public Finance Management Act and the Constitution of Kenya, 2010 in Kenya may be summarised as follows: -
  1. The budget making process in Kenya commences by 30<sup>th</sup> August each year. By this time the Cabinet Secretary is required to issue to all national government entities a circular setting out guidelines for the budget process. This circular includes a schedule for the budget preparation including key dates, procedures for the review and projection of revenues and expenditures, procedures for public participation, etc.



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2. The Cabinet Secretary, the Parliamentary Service Commission (PSC) and the Chief Registrar of the Judiciary are required to submit the respective budget estimates to the National Assembly by 30<sup>th</sup> April. It should be noted that the accounting officers of the PSC and the Chief Registrar of the Judiciary are required to ensure public participation in the preparation of the estimates and proposed appropriations for submission to the National Assembly and may in this regard make and publish rules to be complied with by persons who wish to participate in the process.
  
3. Upon submission of the estimates to the National Assembly, the Budget and Appropriations Committee of the National Assembly will discuss and review the estimates and make recommendations to the National Assembly. In doing this, the committee will seek representations from the public and take them into account when making recommendations.
  
4. The Cabinet Secretary is required to submit to the National Assembly any comments made by the National Treasury on the budgets proposed by the PSC and the Chief Registrar for the Judiciary.
  
5. Following submission of the budget estimates and other documents to the National Assembly, the same shall be publicised by the Cabinet Secretary.

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6. Upon approval of the budget estimates by the National Assembly, the Cabinet Secretary shall prepare and submit an Appropriation Bill of the approved estimates to the National Assembly. Ideally the National Assembly should approve the estimates in time for the Appropriation Bill and other Bills relevant to the implementation of the Budget to be assented to by 30<sup>th</sup> June.
  
  7. The National Treasury will not later than 21 days after the National Assembly has approved the budget estimates consolidate, publish and publicise the budget estimates.
- Noting that the Cabinet Secretary is responsible for the management of the budget process at a national level, he is required to prescribe procedures on participation of the members of public in the budget process at the national level.
  
  - The National Assembly is required to consider and approve the Finance Bill with or without amendments not later than 90 days after the passing of the Appropriation Bill. This would ideally be 30<sup>th</sup> September.

# STAGES OF THE BUDGET MAKING PROCESS IN KENYA

Integrated development planning process – long term and medium term planning



Planning and determination of financial and economic policies and priorities at the national level over the medium term



Preparation of overall estimates in the form of the Budget Policy Statement of national government revenue and expenditures



Adoption of Budget Policy by Parliament as a basis for future deliberations



Preparation of budget estimates for the national government

# STAGES OF THE BUDGET MAKING PROCESS IN KENYA

Submission of the estimates to the National Assembly for approval



Enactment of the Appropriation Bill and any other Bills (e.g. Finance Bill) required to implement the national government's budgetary proposals



Implementation of the approved budget



Evaluation and accounting for the national government's budgeted revenues and expenditures



Reviewing and reporting on those budgeted revenue and expenditures every three months

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Should you have any queries or require clarification on the information provided, please feel free to contact us on [info@vivaafricallp.com](mailto:info@vivaafricallp.com)